IMPLEMENTING PROGRAM MANAGEMENT:
ANALYZING THE CURRENT “AS-IS” STATE IN
INFORMATION TECHNOLOGY

By

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IMPLEMENTING PROGRAM MANAGEMENT:  
ANALYZING THE CURRENT “AS-IS” STATE IN  
INFORMATION TECHNOLOGY

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ABSTRACT

This thesis documents the current as-is state of program management in the information technology (IT) department of a northeast electric and gas utility company. IT leaders embraced the concept of program management and implemented fragments of the practice, but came to realize that additional benefits could be achieved through a more complete implementation of current best practices of program management. Leaders now desire a full deployment to capitalize on potential opportunities while addressing challenges that the industry is facing today to deliver the products and services that our customers desire while better positioning the company for the future.

The current practice will be analyzed to understand the gaps in the current structure and compared to the best practices known, which will be used to provide the building blocks necessary to create and establish a full deployment. Also provided is a brief history of the IT department with respect to the dynamics of the organization as well as the relationship with all departments in the company. To realize the full benefits that can be achieved requires collaboration among departments beginning with a multi-department governance framework to ensure that we are working together to achieve the strategic goals of the company with program management as a chosen vehicle of change.
ACKNOWLEDGEMENTS

I would like to extend my sincere gratitude to Dr. Richard Heaslip for his guidance, insight and lessons that he taught throughout the program leadership class that inspired me to write this paper as well as for providing constructive feedback to the development of this capstone. I would also like to thank Dr. Jean-Marc Choukroun for his enthusiasm and mentorship as he provided feedback of this thesis, and inspired me throughout the several classes where he was the professor as well. Working with Professors Heaslip and Choukroun on this project will certainly be one of the most valuable things I carry away with me from this program.

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I would like to thank Dr. Joel Adler for providing me with the most motivating and exhilarating experience in my life by recruiting me into this fabulous program, which gave me the opportunity to study the most outstanding curriculum, from the most outstanding faculty and fellow students at Penn. Dr. Adler is a tireless advocate for the Organizational Dynamics program who provides outstanding guidance to all.

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CHAPTER 1

INTRODUCTION AND BACKGROUND

I have been an Information Technology Project Manager since 1999 when I began managing Six Sigma projects. The project organizational structure at that time was a matrix where there was a manager responsible for project delivery, but had no project resources assigned other than some of the project managers. There were discussions regarding the forming of a Project Management Office (PMO) for several years with a few beginning attempts; however a full PMO did not materialize until a few years later. Until that time, projects were managed as separate entities, and management oversight focused on the largest projects.

Like many companies, we saw rapid growth in the Information Technology (IT) field during the early to mid-1990’s as increased use and dependence on computer applications and the internet were rapidly advancing. This advancement increased exponentially with the beginning of commercial use of the internet in the mid 1990’s. During this time we were trying to advance from a centralized mainframe applications architecture and infrastructure to a decentralized client server architecture that included wiring hundreds of facilities, and installing new IT infrastructure including file and application servers to provide the foundation for electronic mail (email), and file sharing and collaboration to advanced Enterprise Resource Planning systems and applications such as SAP.

I became interested in Program Management after hearing it discussed during networking events within the Project Management community. Program Management
appeared to advance the profession of project management to higher level, which would provide the methodology necessary to propel companies to the future by achieving their business goals. Additionally, it sounded as if it could provide an advancement opportunity that represented a logical progression from Project Management, or so I thought at the time. I continued to hear about program management while attending meetings and events at the local New Jersey Chapter of Project Management Institute (PMI).

I was curious and began to inquire about how program management worked and the methodology it used. I also tried to understand why it wasn’t a common practice already if it was a model, method or a potential answer to provide an organization with the structure and framework to solve the many business questions, issues, and processes that form the operating model for many companies. I also wanted to explore an assumption made by company management and project managers that program management was a logical progression from project management. The answers to these questions emerged after taking the Program Management class offered by the Organizational Dynamics program in the Graduate School of Arts and Sciences at the University of Pennsylvania where I learned the necessary principles, practices, and framework where program management would offer the most benefits to the organization.

I inherently knew that the organization would achieve tangible benefits by grouping and managing similar projects together that would not be realized if managed individually as there were similar projects introduced from different departments within the company that were trying to achieve the same results. It was clear to me that the
current practice to manage similar projects with different project managers was not the best way to manage projects as we all had to share and compete with the same pool of resources to get the job done, including suppliers. If these projects were managed as a program, the projects would be prioritized resulting in more efficient use of resources due to the repetitive nature of some project tasks as opposed to using different resources that must become familiar with all tasks to be as productive. This dynamic produces reduced labor costs by having the same resources perform the work, possibly concurrently. Additional benefits such as lower pricing would result with project tasks that we routinely outsource, such as re-wiring buildings and application development as we can negotiate better contracts with suppliers by providing them with more work. This new framework seemed very logical as I believed that there had to be a better method than just managing individual projects using the time-tested and proven project management methodology known as managing projects by the triple constraint: scope, schedule, and cost with quality, which is the cornerstone of project management. Grouping related projects provides a more efficient method to effectively pursue our organization’s short term and long term strategies and goals.

My interest in program management continued to grow largely due to the realization that in addition to achieving benefits, it provided a method and platform to rapidly adapt to changing conditions where the current focus was tactical or short term efforts and projects. Applying program management principles provides the flexibility to adapt to changes in market conditions and changing priorities within the business to achieve our strategic or longer term goals that makes program management such a valuable business tool. I often felt as if we were not being customer focused when
managing projects because we had to discourage and resist changes in scope as we were negatively impacted even when the scope change made sense and was at the customer’s request. Our leaders felt that one did not do a good job collecting requirements if new scope was introduced after a project began. As a result, every project manager was ‘taught’ to wear blinders to ensure that projects were delivered within the original scope, schedule and cost. Upon reflection, this fundamentally seemed wrong and increased my desire to discover a better way to execute projects to extract the maximum value and ensure that our company realized the value of the money that invested. Furthermore, I believe that we need to do a better job of helping our leaders to manage our core business by making funding available for the enhancements necessary to operate more efficiently while reducing the costs to produce, transmit and distribute our products to our customers using the best methods possible.

Applying program management principles can achieve our goals to produce business outcomes while realizing the benefits using the flexible and adaptable methods and processes used by program managers that allow reallocation of resources across several projects within programs. Certain synergies emerge when managing collective group of related projects as a program that becomes apparent in an environment open to flexible processes and procedures, and looking for the commonality between projects. There were positive results in our studies that could be applied to advance the goals of the company while giving something back for paying for my education.

I have been taking classes and collaborating with a fellow student and employee of my company, Joe Smith, for a couple of years. We were both nearing completion of our degree and had to write a thesis to complete graduation requirements, and we wanted
to provide our company with some benefits of our education. We both knew that we wanted to research and write our thesis on program management as the class had a profound impact on us as we saw potential benefits to our company, and perceived that program management would add a valuable skill to our toolsets. After having discussions with faculty and our advisor, we emerged with a plan to pursue our thesis: I would document and analyze the current state of the organizations program management effort, or the as-is state, and Joe would provide the proposed new to-be state of the organization. **Timing is Everything**

I was within days of approaching my manager who was responsible for managing the Project Management Office (PMO), to see if she would sponsor my effort to write a thesis on a plan to implement program management once our leaders discovered the benefits from a company perspective. I was pleasantly surprised when she approached me and asked me if I could help implement program management. Our Vice President and Chief Information Officer (CIO) requested that she implement program management as he knew that program management could provide the necessary methodology to advance and implement our goals. That meeting solidified my purpose and strengthened my resolve to get the job completed.

While project management is a tactical discipline that is well defined, and portfolio management determines priorities and selects investments; program management bridges gaps between the two to deliver outcomes and realize the benefits of achieving our well planned strategic goals.

Utilizing program management concepts and best practices learned in the Program Leadership class offered at Penn will provide the foundation for making the
change to program management, which will affect the whole company as everyone must do business with IT where we provide the technology necessary to enable the systems and networks of the company to perform the tasks to run the business.
CHAPTER 2

LITERATURE REVIEW OF AN APPLIED PRACTICE OF
PROGRAM MANAGEMENT

The application of program management principles can produce a paradigm shift from tactical to strategic thinking and management. All companies do their best to control costs and run their operations as efficiently as possible, in any economy. Cost containment and risk reduction have rarely been challenged to the degree that they are now in our current economy. Many companies have reduced available funding and capital to work with, which at times translates into having a tactical focus to run for today, while postponing or reducing the strategic focus to be innovative and introduce new products, or at least enhance existing products for tomorrow. Program Management can provide a paradigm shift using the necessary methodology and framework to make the transition from tactical to strategic thinking, by planning, executing, focusing on and optimizing the response to the achievement of outcomes that deliver the maximum achievable benefit within the scope of the program.

This paper documents the current practice, or the ‘as-is’ state of Program Management of a northeast utility company’s Information Technology (IT) department. IT departments in general experience rapidly changing dynamics due to the nature of continual changes or applications of technology to solve business problems or to get ahead of the competition. For example we may need to have better a understanding and control of our costs by implementing systems such as SAP where additional modules can be added to respond to additional information needs where data can be linked to produce
the information necessary to run the business. All departments in the company need to introduce projects to achieve tactical as well as strategic goals; however there are often too many demands and not enough resources to do the work. To better understand the value that program management can deliver, it is essential to know the fundamental distinctions, differences and interoperability between project, portfolio, and program management in the project workspace beginning with a basic understanding of each function, which is followed by their definition. Prior to the definitions is information regarding the intended audiences who will most benefit from this information with the understanding that this information can benefit anyone who has a need to change the way they do business from the general principles that can be universally applied to many areas of business, or academics. A glossary of acronyms is provided in Appendix A.

Who Will Benefit the Most

The intended audience is the group of company leaders that need to execute initiatives to enable new or updated products or enhancements, and need to change the paradigm in their company from tactical operationally-focused activities and thinking (keep it running), to strategic benefits and outcome focused thinking, planning and action (future growth and potential).

The primary audience is comprised of company leaders and executives, such as the CIO, directors and managers of the PMO, who work in a project-related environment, and need to realize the benefits of attaining strategic goals. PMO leaders and company executives who have identified a need to change will benefit most, followed by leaders who will be responsible for researching and implementing program management.
The secondary audience is both existing and new program managers familiar with program management concepts, and practices, and project managers who need a better understanding of the principles and practices of program management. Other department level managers and directors will benefit from understanding how an existing organization moved from strategic benefits and outcome focused thinking to operational-focused tactical thinking, planning and action.

Project, Portfolio and Program Management

The benefit obtained from the information contained within this paper can be maximized with an understanding of the dynamics and interoperability of and between projects, portfolios and programs as well as the management of each practice. The following paragraph provides the definitions that will be used to form the foundation of my analysis for each as well as relevant information regarding their utilization, starting with projects, then portfolios, and concluded with programs. These definitions vary from those published in official standards. Table 1 below illustrates the basic differences between the three disciplines:

Table 1. Roles of Project, Portfolio and Program Management

<table>
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<tr>
<th>Organizations with large portfolios of programs that use shared resources depend on collaboration between three matrix management functions.</th>
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<tr>
<td><strong>Project Management</strong></td>
</tr>
<tr>
<td>• The science of planning, organizing, and managing the use of resources to efficiently and effectively complete activities that are intended to achieve predetermined objectives.</td>
</tr>
<tr>
<td>Focus is on control and execution.</td>
</tr>
<tr>
<td><strong>Portfolio Management</strong></td>
</tr>
<tr>
<td>• The science of optimizing the allocation of resources to support the attainment of strategic and operational goals.</td>
</tr>
<tr>
<td>Focus is on ensuring strategic and operational balance in the pursuit of goals.</td>
</tr>
<tr>
<td><strong>Program Management</strong></td>
</tr>
<tr>
<td>• The art and science of optimizing the pursuit of strategic goals in highly uncertain and complex environments by dynamically adapting plans for the investment of resources</td>
</tr>
<tr>
<td>Focus is on managing and adaptively responding to uncertainty.</td>
</tr>
</tbody>
</table>
Projects and Project Management

All companies who need to introduce new or enhance existing products or services often seek to accomplish this via projects that are intended to deliver the desired results. According to Project Management Institute (PMI) a project is defined as “a temporary endeavor undertaken to create a unique product, service or result ... The end is reached when the project’s objectives have been achieved or when the project is terminated because its objectives will not or cannot be met…” (PMBOK, 2008, p. 5) An associate is chosen to lead the project, who is the project manager. It is the project manager’s responsibility to deliver the product or service of the project within the scope of the effort, estimated cost and proposed schedule. Therefore the focus of a project is to deploy the product of the project and then move on to the next project. Managing projects or project management is defined by PMI as “the application of knowledge, skills, tools, and techniques to project activities to meet the project requirements. Project Management is accomplished through the appropriate application and integration of the 42 logically grouped project management processes comprising the 5 process groups.” (PMBOK, 2008, p. 6) The key understanding of projects is that they are temporary and end quickly once all project tasks have been delivered. Project management is based on a temporary mobilization of organizational resources in a matrix structure, where resources may only be available for shorter durations for competing projects and tasks that are often not under the control of a project manager. Program management principles are excellent for the management of uncertainty and complexity related to the coordination of operational
activities and work flows. However, project management does not deal as well with uncertainty and complexity related to the emergent outcomes, or changes in the external environment due to its primary focus of meeting the existing scope, schedule and cost expectations, which are often imposed inflexibly.

Project Management has been practiced and studied for many years and has a mature professional discipline established that is proven to be highly effective in managing projects. The project methodology is very different from program management. To understand the difference, it is important to understand the definitions and principles of Programs and Program Management (see below).

Portfolios and Portfolio Management

A portfolio refers to a collection of projects or programs and other work that are grouped together to facilitate effective management of that work to meet strategic business objectives. The projects or programs of the portfolio may not necessarily be interdependent or directly related (PMBOK, 2008, p. 8).

A simplified understanding of portfolio management is similar to a stage gate as illustrated by Cooper, Edgett & Kleinschmidt (2002) where the critical Go/Kill and prioritization decisions are made on projects. Thus the gates (stage gates) become the quality control check points in the process – ensuring that you do the right projects, and also do projects right (Cooper, Edgett & Kleinschmidt, 2002). Generally, the purpose is to manage a portfolio of projects in an organization from a centralized and senior management perspective where investment decisions are made to select projects to ensure a balance and mix of projects that deliver strategic objectives and goals. Portfolio management is further defined by PMI as referring to the centralized management of one
or more portfolios, which includes identifying, prioritizing, authorizing, managing, and controlling projects, programs, and other related work, to achieve specific strategic business objectives (PMBOK, 2008, p. 9).

Programs and Program Management

Programs deliver a company’s strategic goals and produces outcomes. Many projects can be introduced to achieve the program’s goals; however for the project to be part of a program the projects must be related and coordinated. There are many definitions that attempt to define programs in a single sentence; however many understate key elements of a program, for example, PMI states that a program is: “A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may contain elements of related work outside the scope of the discrete projects in the program.” (PMBOK, 2008, p. 9) This is definition is true, but does not provide one with enough information to ensure understanding. Eight separate one sentence definitions were provided during the Program Leadership class that again stated facts, but either focused on a control (reductionist) or goals (holistic) oriented definition. A better definition comes from the book “Managing Successful Programmes” (MSP), which states that a program is:

... a temporary, flexible organization created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation’s strategic objectives. A programme is likely to have a life that spans several years. (OGC, 2007, p. 4)

MSP’s definition captures all key elements of a program by adding “deliver outcomes” and not just benefits that are tied to strategic objectives. One emerges with a better understanding that captures the essence of a program. This understanding will help
the program manager perform better by directing their thinking toward strategic goals and outcomes, which is a longer term view that goes beyond the immediate completion of a project.

After understanding what a program is, a program manager is needed to manage the program to bring it all together, and deliver the outcomes and benefits. More details regarding the role of the program manager will be discussed in chapters 3 and 4. It is important to first understand the definition of program management, and then the role of the program manager. According to PMI, program management is defined as: “The centralized coordinated management of a program to achieve the program’s strategic objectives and benefits.” This definition is true but does not drive the understanding necessary to fully comprehend the concept. A better definition of program management is: “the action of carrying out the coordinated organization, direction and implementation of a dossier of projects and transformation activities (i.e. the programme) to achieve outcomes and realize benefits of strategic importance to the business” from “Managing Successful Programmes” (OGC, 2007, p. 4)

An even better definition of program management came from the Program Leadership class is “the art and science of optimizing the pursuit of strategic goals in highly uncertain and complex environments by dynamically adapting plans for the investment of resources” (©Richard J. Heaslip, 2009, Unit 1, p36). This definition articulates the definition quite well, but has an academic sound with the phrase ‘art and science’ according to my colleagues and leader of the PMO at my company who assembled a team of associates to implement program management in IT. The team agreed to the following hybrid definition as it was believed to be more understandable
and gain wider acceptance that combines programs and program management: “program management is managing a group of related projects in a coordinated way to obtain benefits and control not available from managing them individually. Programs are aligned with strategic goals and focus resources on achieving benefits, goals and outcomes.”

One could argue the pros and cons of each definition; however if program management will be considered, accepted and utilized, business leaders must have a good understanding of the value that the application of program management will bring in order to be adopted as a key business operating model in the project workspace. I will utilize the definitions and principles of program management that are provided by the book “Managing Successful Programmes” (OGC, 2007), which forms the foundation of the research for this thesis as well as principles and concepts learned in the Program Leadership class at Penn (DYNM624).

Program Management is more commonly recognized as a being different from project management in Europe, perhaps as a consequence of research that has emanated from and more prevalent in England. In the United States, the recognition of the differences between program and project management is common government and defense programs, but it is less well recognized in other industries. Program Management is a newer discipline and practice where definitions have continued to evolved.

Other Program Management Resources

There are many articles from various scholarly works including professional journals, such as the Project Management Journal, International Journal of Project
Management, and Project Management Institute (PMI) that have been utilized in this paper. These sources provided key information and relevant research in the subject area.

Utility Company Information

In this thesis, I refer to a recognized utility company that will be called UTIL. Key information was obtained from various sources of UTIL, beginning with the corporate vision, and the strategic objectives and goals. The best practices of program management dictate that programs link to the strategic goals of the company that are set forth from the vision, and then translated into strategic goals and objectives. The company has defined objectives in three key areas: Operational Excellence, Financial Strength, and Disciplined Investments with three key goals under each area. The company vision is aligned to show the company’s commitment to the environment and the production of economic green energy, as well as operating safely.

The corporation is comprised of four companies: a regulated utility, which provides electric and gas service; a power related organization where electric power is generated by using fossil fuel, or nuclear energy; an energy subsidiary that is focused on its current investment portfolio while pursuing opportunities in renewable sources of energy, such as solar and wind; and a service organization that provides quality, value-added services to internal clients within the UTIL. All companies (called lines of businesses, or LOB’s) in the company must first align with the overall corporate strategic objectives and goals, and then each LOB can create their own goals that link to the corporate strategic goals. Table 2 presents the Strategic Objectives and Goals for 2011.
Table 2. Strategic Objectives and Goals

**Operational Excellence**
I. Achieve top quartile performance with people, safety, reliability, economic discipline and green energy
II. Drive to top quartile cost performance
III. Attract, develop, and retain a highly-skilled, diverse and engaged workforce

**Financial Strength**
IV. Achieve earnings targets; preserve corporate and subsidiary credit ratings
V. Develop and implement strategies to succeed in a sustained lower energy price environment
VI. Strengthen relations with key stakeholders, e.g., customers, shareholders, employees, regulators, governments

**Disciplined Investments - Growth Opportunities**
VII. Advocate policies and rules to support competitive markets and environmental standards
VIII. Capitalize on opportunities to build our environmentally-advantaged businesses
IX. Execute our capital investment program on-time / on-budget

The IT strategy, noted below in table 3, lists the company vision and mission at the top, and derives the strategy from there. The IT Aspirations is in a sense the IT Vision, which clearly aligns with the corporate vision. The remaining key elements of the IT strategy: IT Value Propositions, Key Programs, Key Internal and Key Client Initiatives clearly align with the corporate Strategic Objectives and Goals, as indicated below in table 4.
Table 3. IT Strategy On A Page (SOAP)

**IT Strategy on a Page**

<table>
<thead>
<tr>
<th>Vision</th>
<th>Strategic Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Being a recognized leader for people providing safe, reliable, economic and green energy.</td>
<td>Operational excellence, financial strength, and disciplined investment.</td>
</tr>
</tbody>
</table>

**IT Aspirations**

IT people and technology are recognized as being integral to business success.

**IT Value Propositions**

<table>
<thead>
<tr>
<th>Value Management Excellence</th>
<th>Technology Excellence</th>
<th>Process Excellence</th>
<th>People Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>We anticipate needs and drive sustainable business value with insight and agility</td>
<td>Our deep understanding of technology and information enables operational excellence and informed business decision-making</td>
<td>Our continuous improvement culture enables flawless execution through consistent, predictable, and efficient processes</td>
<td>Our employees are technical experts, understand the business and are proud to work in IT</td>
</tr>
</tbody>
</table>

**IT Key Programs**

1. Cost Management
2. Asset Management
3. Business-IT Strategy and Governance
4. Enterprise Architecture and Life Cycle Management
5. Analytics & Business Intelligence
6. Deliver Solutions
7. Process Management
8. Service Management
9. Strategic Sourcing
10. Knowledge Management
11. Great Place to Work

**IT Key Internal Initiatives**

- Compliance Culture (NERC-CIP, NEI, SOX)
- Content and email archiving
- Knowledge Management
- Career Pathing

**Key Client Initiatives ($>$1 million)**

- IPower Enhancements
- Manual Meter Reading Handheld Replacement
- Site Communications Plan - Nuclear
- HR ePortal
- Planning and Process Management Tool
- PowerPlant System
- Land Rights Records Management System

As noted above, the comparison of key elements of the IT strategy are shown below in table 4, which are indicated by a “yes” in the align column. IT clearly makes an effort to see the big picture and takes the necessary steps to turn goals into actionable plans by ensuring alignment and introducing initiatives to produce the deliverables necessary to realize the vision.
Table 4. Corporate and IT Strategy and Goal Alignment

<table>
<thead>
<tr>
<th>Key Element</th>
<th>Corporate</th>
<th>IT</th>
<th>Aligned</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vision</td>
<td>Recognized leader…</td>
<td>Same</td>
<td>Yes</td>
</tr>
<tr>
<td>Strategic Objectives</td>
<td>Operational Excellence, Financial Strength, and Disciplined Investments</td>
<td>Same</td>
<td>Yes</td>
</tr>
<tr>
<td>IT Aspirations</td>
<td>Recognized leader…</td>
<td>Recognized to be integral…</td>
<td>Yes</td>
</tr>
<tr>
<td>IT Value Propositions</td>
<td>Operational Excellence, Financial Strength, and Disciplined Investments</td>
<td>Technical Excellence, Value Management Excellence, and Process and People Excellence</td>
<td>Yes</td>
</tr>
<tr>
<td>IT Key Programs</td>
<td>Corporate strategies provide guidance for developing programs</td>
<td>Programs were derived from corporate strategies</td>
<td>Yes</td>
</tr>
<tr>
<td>IT Key Internal Initiatives</td>
<td>Corporate strategies provide guidance for developing key internal initiatives</td>
<td>Key internal initiatives were derived from corporate strategies</td>
<td>Yes</td>
</tr>
<tr>
<td>Key Client Initiatives (&gt;$1 million)</td>
<td>Corporate strategies provide guidance for developing key client initiatives</td>
<td>Focus on key client initiatives were derived from corporate strategies</td>
<td>Yes</td>
</tr>
</tbody>
</table>

IT department leaders carefully planned our future based on the guidance model they created in figure 1 below, to ensure that our IT strategy aligned with our corporate goals. Both our operating principles and leadership fundamentals are aligned with our corporate goals.
In order to determine whether or not program management principles and practices were being followed, key information was required starting with the IT goals to determine linkage to the corporate goals, I then needed a list of the portfolio of projects and programs to see the linkage to the goals, which was followed by collecting information from the manager of the PMO and existing program managers. To collect the required information from the program managers, a questionnaire was developed and provided to the existing program managers. The information in the next section contains the details surrounding the content of the questionnaire as well as the methods used to collect the information that formed the foundation of this research.

**Interviewing and Observations**

Interviewing was the process used for data collection from the existing program managers. Conducting interviews provided the means to access, collect, and analyze
information, which was compared to the principles and practices documented from various sources for compliance to standards. Interviewing provide the opportunity to observe non-verbal reactions to politically charged questions surrounding the areas of governance and information only contained by our clients and shared on a limited basis with IT. Additionally, observations were documented when program managers were performing various portfolio, program and project tasks that constitute their duties.

Data Collection

In addition to interviewing and observations, a questionnaire was developed based on the seven program management principles detailed in “Managing Successful Programmes” (OGC, 2007, p. 13) and used to document the information collected during the data gathering process. Listed below is a description of the questionnaire described above.

Program Management Questionnaire

The program management questionnaire was sent to each program manager in advance of the interview to provide them with the opportunity to review the questions to ensure their understanding of the information being requested, while providing them with the opportunity and time to research any answers that they did not have immediately available. The questions chosen were derived from the seven program management principles and drafted in table format that required each program manager to respond to the twenty-seven (27) questions. The questionnaire contains questions based on elements from the seven (7) core principles, which was used to compare the responses from both program managers to see the variances or similarities from both. The questions are summarized and evaluated in chapter 5, and the full questionnaire appears in appendix B.
Change Management

Program management requires a vast change to the operating model of the affected company and/or department. Sweeping changes are required from most if not all perspectives, beginning with operating and organizational models relating to resources, and followed with the sharing and alignment of resources to strategic goals. As programs are delivered through projects, project resources including project managers must be aligned and under the control of program managers to provide the flexibility necessary to adapt to changing needs and complexities as programs need to be able to shift gears quickly to respond to changes that are important to the company.

Change management planning is necessary to establish the to-be operating model, which is not the focus of this paper. A thesis called “A Plan for Implementing Program Management in an IT Organization” has been developed by Joseph Smith, who is a student in Organizational Dynamics at Penn. That thesis covers the change management necessary to institute program management in the IT department.
CHAPTER 3

PROGRAM MANAGEMENT FOUNDATION AND FRAMEWORK

In order to compare the current practice of an organization’s effectiveness using program management, it is necessary to establish the general foundation and framework necessary for program management to be successful. This framework will be used to compare the current as-is state of program management for the company and department that is the subject of this paper.

The framework commences with the principals of program management as illustrated below.

Program Management 7 Principles (OGC, 2007, p. 13)

1. Remaining aligned with Corporate Strategies
2. Leading Change
3. Envisioning, and communicating a better future
4. Focusing on the benefits and threats to them
5. Adding value
6. Designing and delivering a coherent capability
7. Learning from experience

Based on these principles, the necessary governance structure needs to be established to guide leaders and associates working in the project, portfolio and program workspace to ensure success. Many activities must be completed starting with the establishment of the necessary standards, and organizational model and structure necessary for program management to achieve results. “Effective Programme Organization requires the combination of:

- Defined roles
- Clear responsibilities of each of these roles
- Management structures and reporting arrangements that are needed to deliver the program’s desired outcomes” (OGC, 2007, p. 27)
A best practice is to assign roles and responsibilities according to table 5, listed below (OGC, 2007, p. 38):

Table 5. Roles and Responsibilities of an Effective Organization

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibilities</th>
</tr>
</thead>
</table>
| Senior Responsible Owner      | Ensuring that the Program Organization has the necessary skills and experience required to deliver the change  
|                               | Sponsoring group members have a clear understanding of their roles               |
|                               | Appointment of the Program Manager                                             |
|                               | Approval of the Business Change Manager                                         |
|                               | Appointment                                                                     |
| Program Manager               | Design of the program team                                                      |
|                               | Appointment of the Program Office                                               |
|                               | Appointment of the project teams                                                |
|                               | Ensuring all roles have clearly defined responsibilities                        |
|                               | Ensuring that the organization design is implemented through the program lifecycle. |
|                               | Efficiency of resources                                                          |
| Business Change Manager       | Design of the Change Team                                                       |
|                               | Appointment of individuals to the Change Team                                    |
| Program Office                | Maintenance of information                                                      |
|                               | Advice and guidance on roles and responsibilities                              |
|                               | Support in recruitment and appointments                                         |

Defining an organizational model can be achieved by answering the following key questions:
• What is the best approach for leveraging the capabilities of program, project, portfolio, and senior management to ensure that organizational goals can be achieved?
• How does one ensure that appropriate levels of expertise and capability to fill each role are developed?
• How can one ensure that the optimum collaborative relationships are established between the roles?
• How does one ensure that the (emerging) role of the program leader is appropriately understood and developed?
• How do we assure that members of the organization understand and embrace these roles and this vision? (©Richard J. Heaslip, 2009 Unit 3, p. 18)

It is important to establish a program board with a senior leader known as a senior responsible owner (SRO) who is a member of the governance committee or sponsoring group to deal with the complexities that are customary with programs. An appropriate senior leader would sponsor the program to validate the strategic mandate while displaying the importance with stakeholders. “The sponsoring group represents those senior managers, who are responsible for investment decisions, defining the direction of the business, and ensuring the ongoing overall alignment of the programme to the strategic direction of the organization.” (OGC, 2007, p. 29) Additional roles for the program board are program managers and business change managers. One such structure is illustrated below in figure 2:

Figure 2. Layering of Program Organization, Control and Reporting (OGC, 2007, p. 28)
After establishing the program board, and defining the roles and responsibilities, these positions need to be staffed with associates who have the necessary competencies. The organization then needs to review all projects in the portfolio to see what if any logical groupings could be managed as programs based on the criteria to determine a proper fit that are linked to the strategic objectives of the company. A best practice would be to develop a checklist (see Program Determination Criteria Checklist in table 7) with the most basic questions to determine if a single project or groups of related projects meet the criteria for a program. A checklist would ensure that the criteria are consistently applied uniformly. Once projects have been identified as a program, the existing business cases for each project should be consolidated to create a business case for the program, from which a program brief should be prepared and contain the following basic information:

- Outline Vision Statement
- Anticipated Benefits
- Risks and Issues
- Analysis of the options available at this point (more may develop later)
- Estimated Costs and Timescales
- Outline of the Current Situation (OGC, 2007, p. 106)

After reviewing all projects that have a program fit, vision, and program brief, it is necessary to determine and classify the program types as well as the stage of the existing program(s) life cycle. It would be an appropriate action to take before proceeding as projects and programs have been in various stages of progress for at least the current year, with the probability that some or many projects and / or programs have been in progress for years.
One last thought is important to consider before program classification is discussed, and that is to guard against having an overly structured approach and rigor to program management. Programs are not scale-ups from projects, and as such, need to be treated differently, as noted below:

The negative consequences of an overly bureaucratic approach to programme management are: (a) deterioration of the relationship between project managers and programme managers encouraging a culture of blame and (b) diversion of energy from value adding activities (Lycett, Rassau and Danson, 2004, p. 293).

Program Classifications and Life Cycle

The priorities of programs can be affected by the type of program introduced to manage the new or desired change. The three different classes of programs are listed below with the associated general characteristics of each (OGC, 2007, p. 6).

- **Vision Led**
  - Deliver clearly defined vision
  - Top down with cross functional implications for orgs operations
  - Likely to focus on innovation or strategic opportunity
  - Public sector: translation or political priorities

- **Emergent**
  - Evolves from concurrent, uncoordinated projects that have grown in an organization. Now recognized that coordination of projects are necessary to deliver desired changes and benefits
  - Is transitory as it becomes a planned program when vision, context and direction have been defined and established

- **Compliance**
  - “Must do” program
  - Organization has no choice but to change as a result of an external event, such as legislative change
  - Outcomes may be express in terms of compliance, achievement and avoidance of negative implications rather than measurable improvements in performance

Properly classifying the program ensures that a program receives the appropriate priority, as any program that is classified as compliance or regulatory must be completed or negative consequences can occur. Emergent programs may have resulted from the
need to beat the competition to a new release of a product, and vision-led may provide
the innovation that will propel the company into the future. Regardless of the reason for
the introduction of a program, proper classification should ensure that it receives the
appropriate attention it needs with respect to resources and time.

In addition to classifying emerged programs, it is also necessary to have a vision
for each program, as a vision portrays a picture of what the future will be once the
program has been completed, delivered the products or services that produce the desired
outcome and realized the benefits. A well-defined and continually updated vision will
help to produce a better blueprint for the program as well as maintain the interest and
support of stakeholders.

Programs, like projects have life cycles as programs are temporary structures that
can continue for years, but will end eventually. “There are two characteristics … that
would make programme management the most suitable methodology to ensure successful
implementation of strategies; they are:

1. The concept of a cyclic process, which enable regular assessment of benefits,
evaluation of emergent opportunities and pacing of the process.
2. An emphasis on the “interdependability” of projects, which ensure strategic
alignment” (Thiry, 2004, p. 246)

Thiry (2004) provided a key distinction from projects and from managing
multiple projects by stating: “In order to make the most of those characteristics (above, 1
and 2) a programme life cycle must be iterative, rather than linear, include periods of
stability and it must have a learning and systems perspective.” (Thiry, 2004, p. 246) This
distinction is quite profound as many projects are managed using the waterfall
methodology, meaning linearly from phase to phase (other project management
methodologies exist where iteration is necessary, such as agile or spiral), and do not adapt to complexity and changes that would require additional scope be added or existing scope dropped for the greater good beyond the project.

There are varying defined phases with different names; however they have similar meanings. One of the most descriptive and easily understood program life cycles from inception to closing is combined using standards from PMI and OGC displayed below in Figure 3:

Figure 3. Program Life Cycle (©Richard J. Heaslip, 2009, Unit 4, p. 16)

The program manager is responsible for managing the entire program lifecycle to ensure that the program has delivered the desired outcomes, and realized the stated benefits, which may not be fully realized until after the program closes.
Change Management Plan

Implementing program management properly will require a high quality plan that addresses all facets of a program from the beginning to the end with senior leadership sponsorship due to the substantial change management effort necessary to design and set up the correct organizational structure as well as managing the individual programs. Many roles will change that require skills beyond current capabilities, which need to be part of the plan.

In chapter 4 the existing organizational structure is shown and the current as-is practice of program management is detailed based on general observations of the operation and PMO activities and questions asked of two existing program managers at the company. A background and brief history will be provided to illustrate the necessity and define the need to evolve into the dynamic program management model to obtain the benefits and achieve the outcomes desired by changing the operation to achieve the operational efficiencies realized when the application of program management principles are executed properly.

The current practice and organizational structure will serve as a baseline to compare how the organization applied program management in the past to determine that path that will lead to the future design of the organization. The IT “strategy on a page” (SOAP) that contains the IT strategic goals and programs will be analyzed for the linkage to projects and programs that comprise the portfolio of projects.

In chapter 5, the existing current program management or “As-Is” operation will be analyzed and compared to the established program management practices that are detailed in this chapter 3, while highlighting the identified gaps between the existing state
and desired state. Efforts will be required beyond the scope of this paper to address the
identified gaps in order to achieve the maximum benefit that program management can
bring to an organization. The basis for the analysis will come from the questionnaire that
was developed and described in detail in addition to general observations. Lessons
learned will be documented and any opportunities will be identified that will assist with
forming the foundation for the desired future or “To-Be” state of the organization.

In chapter 6, the paper is concluded with final thoughts and observations, which is
designed as a commencement: a beginning. Key thoughts regarding where to go next are
discussed and outlined.
CHAPTER 4
ORGANIZATIONAL STRUCTURE AND BACKGROUND

The IT department has reorganized several times in several years. Similar to other companies, we have oscillated from centralized to decentralized management to a hybrid of both centralized and decentralized management where it made the most sense over the years. We have a mix of centralized associates, dedicated teams, and shadow organizations. The centralized associates perform the core IT functions such as staffing of the client service center (help desk), network and server management and database administration. Our dedicated teams have IT associates performing IT roles that are dedicated and focused on the IT needs of a specific line of business where the IT staff becomes more knowledgeable in the client’s business, which is more desirable for the client. We also have shadow IT organizations throughout some of the different departments of the company where LOB associates are performing IT roles, but must follow IT standards with respect to infrastructure, security, hardware standards, and application design. Last, we outsource new application development and programming (coding), while retaining most of the work related to just configuration changes. We also outsource application and system maintenance and support.

One past organization design included dedicated resource managers where all associates reported to those who assigned associates to the work based on the skills required for the given work. This model remained for a short time, and we returned to the former functional design as the resource manager’s added redundancy that resulted in resource conflicts with the functional managers. Since 2005, internal staffing declined
due the effects of a failed merger with another utility while outsourcing has increased to replace staff members who leave the company instead of hiring replacement employees.

Resource management is one of the most challenging tasks for an IT organization in general due to the variety of technology required and supported, and the specialized skills required to bring in the new functionality and technology, as well as maintaining the existing network and systems used by the company. Redundancy and duplication of efforts is an additional challenge for large organizations where similar work is required for different areas of the company with no coordination of resources. One of the values that program management can deliver is the efficient use of project resources, where resources are controlled and allocated by the program manager for project work that is related to programs.

The current organizational structure, shown below in figure 4, is organized by function where all resources report to functional managers. The resources who are utilized on projects report in a matrix structure to the project manager only for the duration of the project, which may or may not be full time, but usually is not full time.
Current Program Management Organizational Analysis

The current organization, listed above in figure 4 has a PMO that reports to the director of program and process management. Many, but not all project managers report to the delivery manager who manages the PMO. Conversely, the program managers report to the Managers of Business Relations (MBR) who directly interface with our clients where all project investment requests are introduced. After projects are introduced, they are evaluated and prioritized in conjunction with the PMO and either assigned directly to a project manager if the project aligns with the projects that the PMO directly manages, or the project is assigned to the appropriate delivery manager to assign to project manager. One way that this model may not support program management principles is due to the fact that projects are introduced and organized by each MBR who
represents each LOB. This structure could cause two programs to be managed instead of one, or add redundant projects to each program. Additionally, this practice could prevent the sharing of resources that might be performing similar work, but for a different LOB. Therefore, a benefit of performing similar work, possibly concurrently would be lost that possibly could have reduced the schedule duration, made resources available for other work, and reduce the overall cost of each project.

Reviewing the allocation of program resources who report to the MBR reveals that one department (Power) has 11% of the projects and 21% of the entire portfolio value, where the other department (Utility) reviewed here has 26% of the projects and 31% of the entire portfolio value. The remaining department where program management was practiced was our trading operation, but was not reviewed here. Our trading operation has 6% of the projects and 2% of the portfolio value. The last department in the organization is Services and contains IT, does not practice program management, but has 57% of the projects and 46% of the portfolio value. The allocation places a greater demand on the utility program manager given the additional project focus; however both program managers only have one formal program each, and have other informal programs that resemble portfolios of projects, rather than programs.

There is no evidence of a formal program governance committee and program board; however there is limited evidence of a project board, such as the structure shown in figure 2 from chapter 3. Leaders from the LOB and IT meet and discuss current and future investments, which does not appear to rise to the level of a formal integrated governance committee and program board established for such purposes. Having the appropriate organizational governance structure was stated to be one of the keys to a
successful program organization in chapter 3. It is necessary to have such a structure if
the company desires to resolve the various project and program issues and conflicts that
arise in the course of a year as well as having the vision for future years. The outcomes
and benefits that can be delivered by properly executed programs are not likely to be
realized as little alignment will occur within projects resulting in a limited focus on the
realization of goals. Additionally, the organization is likely to miss potential
opportunities as program management is flexible and adaptable by design by reallocating
resources quickly to take advantage of current trends, market conditions, and
opportunities that would not be possible or realized by managing projects and portfolios
alone.

Another challenging organizational issue arises from the fact that the existing
program managers perform triple duty as they also manage the project portfolio, in
addition to performing some project management where resource gaps exist. This
practice represents direct conflicts as one’s focus is greatly altered by the role that they
are performing. Project, portfolio and program managers all have very different roles and
focus on entirely different areas. As a result, their skill sets are very different and not
interchangeable, as per the following quote:

“In agreement with other authors, Pellegrinelli et al. (2003) also identified a major
difference in the requirements for project and program managers. They found that
project managers should be more focused on strict planning, management, and
solving of technical issues, whereas program managers should be increasingly
tolerant of uncertainty, more embracing of change, and more aware of the wider
business influences. Therefore, program managers need to be better improvisers
than implementers of structural approaches (Pellegrinelli, 2002).” (Blomquist and
Muller, 2006, p. 55)
Clearly, researching program management reveals that it is likely to be very important to have separate individuals performing the various roles due to the inherent differences between the roles, to achieve the desired benefits and maximize the return on the investment. However, it is understood that organizations may have the same associate performing many roles. This multi-role individual should have the talent to switch roles at the appropriate time to ensure that the correct focus is on the necessary role at any given moment. One must think and act differently depending on the discipline. Project managers have been trained to closely guard and manage the scope, schedule and cost of a project, where program managers have a focus on the bigger picture with the longer range affect and outcomes in mind. This very different view will focus the mind in a different direction from constraining project management type thinking.

The same concept holds true to a different but related extent for portfolios of programs and projects as companies are more successful when they execute a riskier portfolio of programs and projects that includes more innovative and bolder projects. This achievement relates to assigning resources appropriately to take advantage of potential opportunities that involve risk according to the following quote:

“By comparing high and low performing portfolios, Cooper et al. (2004) found that higher-performing portfolios include more innovative, riskier, and bolder projects, which are often larger, new-to-the-business world project with high values. High performing portfolios also show a better balance in the number of projects and resources available. Companies with high-performing portfolios were also found to dedicate more resources to sales and marketing, and to allocate resources based on project merit (Cooper et al., 2004) (Blomquist and Muller, 2006, p, 54).

Success can only occur when associates are trained to think like program managers where there is flexibility and where one can adapt to the changes necessary to
take advantage of emerging opportunities that may involve risk. We may need to accept risk as strategy to build a better future, but not be reckless about it. Generally, our company is very well managed with some of the best leaders in the industry.

The IT department would need to completely rethink and reorganize the way that we do business to manage programs. This can be done within the same framework using matrixed associates who report to functional managers. A fundamental agreement would need to be reached to work through the constrained resource issues that we face every day; however it is not an insurmountable task. The one absolute rule necessary to function properly would be that the program manager would have to be the only manager who could reassign the resource in the project space, and not the functional space where the resource resides. The functional manager would still assign their resource to the functional work as necessary. Without that concession, the program manager would be challenged to adapt to changing conditions, which is a cornerstone of effective program management. The conclusion of this review is that the IT department is not currently organized for program management, but can be if we see the potential benefits by using some creativity and having a willingness to adapt to new methods and make the changes necessary for the company to achieve our goals.
CHAPTER 5

CURRENT PRACTICE OF PROGRAM MANAGEMENT (AS IS)

A review of the current practice of program management in the IT department is provided in this chapter. The approach to collect and analyze the information began by developing a questionnaire comprised of 27 questions that were based on the seven key principles of program management from the OGC book. This was followed by interviewing two of the three existing program managers, and then comparing their answers and practices with individual elements of the seven principles to better understand how closely they followed the established practices of program management. The detail provided for the current practice of program management is based both on questions asked during interviews of two existing program managers, and general observations of the operation and PMO activities.

Existing Program Analysis

The seven principles of program management and a summary analysis of the answers posed for each principle are listed below in table 6. An analysis and summary follow the table, which is based on the complete list of 27 questions and answers that are displayed in table 8 in Appendix B. This analysis provided key insight into the current practice.
Table 6. Summary Program Management Questionnaire and Analysis

P# = Program Management Principle

<table>
<thead>
<tr>
<th>#</th>
<th>Principle</th>
<th>Key Answer: A</th>
<th>Key Answer: B</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Remaining aligned with Corporate Strategy</td>
<td>For the most part, the discussion that we have beyond the new upcoming year amounts to adding financial placeholders for future year efforts. We don’t know what we will be doing from two to five years from now.</td>
<td>Yes, the Business Partner discusses with Fossil Leadership to help with the 5 year plan. This is done I believe twice a year.</td>
<td>Consistent answer. Both infrequently discuss the future, but mostly financial placeholders are created. No apparent effort to create programs to deliver strategic goals.</td>
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</tr>
<tr>
<td>P2</td>
<td>Leading Change</td>
<td>From the IT perspective it is the Business Relationship Manager (MBR). From the LOB perspective it is the Vice Presidents and Directors. Two such Programs are the Mobile Strategy and Appliance Service.</td>
<td>Vision is to expand: Performance Indicators (PI), Operational Efficiency Model (OEM), Environmental, Plan Of Day (POD), &amp; Fleet Switching Awareness From the IT perspective: VP, and MBR. From the LOB Director Ops LOB: (SR VP)</td>
<td>Consistent answer. Both senior leaders provide direction &amp; vision; however the vision does not appear to be planned beyond the next year’s projects, which reduces the need for change champions.</td>
</tr>
<tr>
<td>#</td>
<td>Principle</td>
<td>Key Answer: A</td>
<td>Key Answer: B</td>
<td>Analysis</td>
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<td>P3</td>
<td>Envisioning, and communicating a better future</td>
<td>Yes and no. Some areas are more clearly than others. I think we are taking steps toward a clear vision within IT with the Strategy on a Page and other initiatives currently underway. Within my client base, yes, I think there is a very clear vision within most of the Utility leadership.</td>
<td>Yes and No: Not a planning culture. IT does not have a real plan, and the LOB has a partial plan</td>
<td>Inconsistent answer between both program managers, and with other statements made in this area. A says it is very clear, but there appears to be little evidence from the LOB. B states that both IT and LOB do not plan well for the future.</td>
</tr>
<tr>
<td>P4</td>
<td>Focusing on the benefits and threats to them</td>
<td>This is completed mostly, if not all, by the LOB. IT has minimal involvement in this process.</td>
<td>Leaders from the LOB, the MBR and I review the programs benefits outcomes and risks. ROI and business cases are completed by MBR. The MBR reviews all business cases with LOB leaders who provide final approval.</td>
<td>Inconsistent answer. A and IT are not involved. B is fully involved with program risks, outcomes and benefits.</td>
</tr>
<tr>
<td>#</td>
<td>Principle</td>
<td>Key Answer: A</td>
<td>Key Answer: B</td>
<td>Analysis</td>
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<td>----</td>
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</tr>
<tr>
<td>P5</td>
<td>Adding value</td>
<td>I try to do that now: evaluate numbers. We make high level estimates based on</td>
<td>Sometimes. Specifically for those providing hard benefits. These are done by</td>
<td>Consistent answer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>whether or not it still makes sense to continue with this program. I do the</td>
<td>the Business Partner and PM. There is a go/no go based on priority.</td>
<td>Both work with leaders to determine</td>
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<td></td>
<td></td>
<td>evaluation along with the LOB. We have a Go/No Go review to see if it makes</td>
<td></td>
<td>immediate and continuing value, and hold</td>
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<td></td>
<td></td>
<td>sense to still continue with the current program.</td>
<td></td>
<td>stage gate reviews for go/no go decisions.</td>
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<tr>
<td>P6</td>
<td>Designing and delivering a coherent capability</td>
<td>This is done by a joint discussion with the LOB and IT and is not revisited</td>
<td>This is sometimes done and only when the project or program is finished. There</td>
<td>Consistent answer.</td>
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<td></td>
<td></td>
<td>once determined.</td>
<td>is only a focus on good projects or programs. Any negative projects or</td>
<td>A and LOB makes determination, but does not</td>
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<td></td>
<td></td>
<td></td>
<td>programs are not reviewed any further.</td>
<td>monitor.</td>
</tr>
<tr>
<td>P7</td>
<td>Learning from experience</td>
<td>There is no formal process to do that; however that is something we should do.</td>
<td>We do document lessons learned; however they are filed away and not re-used</td>
<td>Inconsistent answer.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>No lessons learned are captured.</td>
<td>again.</td>
<td>A does not.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>B does, but no process to share lessons.</td>
</tr>
</tbody>
</table>

Generally, the main focus of both program managers is to keep the business running. Both are aware of the need to look ahead to the future to ensure that we are trying to achieve the company’s goals; however they are dependent on obtaining the
necessary information and vision from the lines of business that either do not have or have not finalized and communicated such a future vision where programs can be formed to begin initiating projects to realize the vision. This provides the program managers with a minimal look ahead to the future for the businesses that they support.

For the first principle, Remaining aligned with Corporate Strategy, other than the two larger programs analyzed below; there is no deliberate effort to create programs to deliver strategic goals. Programs are not envisioned or created, but rather formed based on commonality among existing projects. Programs should be deliberately created jointly between IT and the lines of business, and should not just evolve from the existing projects. Without that strategic alignment there will be a limited cohesive effort to achieve strategic goals. Both program managers answered consistently with only slight differences as they both work for different LOBs that focus on separate areas of the business. The organization that A works for devotes more time to tactical efforts as they transmit and deliver the regulated product to the customers, where B’s organization provides the product in a competitive environment, where strategies for the future are critical to long term success.

To realize principle 1, we could develop a table to establish clear linkage starting with our corporate goals, and then followed by our LOB goals, which would be followed by department goals. The end result would be to link all investments to one or more goals, which would show alignment as well as highlight goals where no IT projects or programs exist to achieve this goal. It must be noted that not all goals may have an associated IT project or program.
For the second principle, Leading Change, the senior leaders for both separate LOBs are change champions who provide direction and vision; however the vision does not appear to extend beyond the next year’s projects. Without that future vision, there would be limited changes to the current operation that would require change champions to guide the organization’s direction that would be crucial for successfully ushering in necessary changes. Both program managers are consistent with their answers in general. Both rely on change champions from IT as well as the LOB; however there are only subtle efforts made with both LOBs and IT together to change the environment or culture as needed. Leaders in both areas of IT and the LOB act separately and together when necessary to bring change, although one could argue that it is usually in reaction to an event rather than pro-actively before an event occurs.

To realize principle 2, business and project leaders can be change champions and review the scope of all projects and programs to determine if our scope or proposed solution is too restrictive based on a fear of unknowns. Innovative solutions may have been proposed or possible, but rejected for fear of complexity and ultimately failure. We can solve more problems and create novel solutions in an atmosphere of trust.

For the third principle, Envisioning, and Communicating a Better Future, program manager A says it is very clear, but there appears to be little evidence from the LOB, while B states that both IT and LOB do not plan well for the future. The top of the company has communicated the vision, mission and strategies for the future and has done a great job of communicating through various efforts, meetings, and media available including the company newspaper that contains a wealth of knowledge and guidance. There is limited evidence that the various LOB’s have tried to apply the direction
provided by our top leaders to create the future by introducing programs and projects to realize the vision. This does not imply that no such effort exists, nor is in the works; however if such an effort is in progress then it has not been effectively communicated to everyone. Both A and B are inconsistent with their answers as A states there is a clear plan and B states that there is only a partial plan at best. This is surprising because B’s organization appears to plan ahead better than A’s, but A’s has better visions; however both A and B stated that their five year rolling plan only contained place holders, and not real plans. Answers are inconsistent, but both point to the same conclusion: we don’t plan well.

We can realize principle 3 by getting everyone engaged to brainstorm ideas and work toward the future to ensure that we are focusing on what is important. The leaders in IT have a vision of the future and have a strategy and plans to move forward. We could work with our good leaders from the LOBs to share their visions of the future where we can research emerging trends in technology to make the future happen.

For the fourth principle, Focusing on the Benefits and Threats to Them, program manager A stated that he and IT are not involved; however program manager B is fully involved with program risks, outcomes and benefits. The lines of business that A and B represent are completely different and have a much different focus. Program manager B works with a competitive line of business where A works with the utility who has a franchised territory; however both are heavily regulated. While the utility is franchised, they still must order and purchase the commodity from generators, which is highly competitive and driven by price.
To realize principle 4, and similar to principal one, we should ensure alignment of strategic initiatives and goals to the projects and programs that we currently have, but then assess the gaps where no technology has been identified, but needed to achieve the goal to realize the stated benefits. Once known, we could create a joint plan to achieve the benefits that have been identified. Both A and B were inconsistent with their answers. A stated that he was not involved in determining the program’s benefits or outcomes, but B was. A is not fully aligned with determining the investments for the organization that he supports; however B and B’s leader is more involved with the investments. An interesting fact is that B’s leader worked directly for the LOB that he supports, which is the same for A’s leader; however B is more involved in this area due to the more strategic nature of B’s organization.

For the fifth principle, Adding Value, we need to work with leaders to determine the immediate and continuing value of existing projects and programs by holding regular stage gate reviews for go/no go decisions. The stage gate reviews will change, terminate or delay programs by regularly reviewing programs and associated projects to ensure that they are still adding value and making sense.

To realize principle 5, we need to establish robust stage gate reviews with a cross-functional team of leaders that focus on continuing to add value if completed, rather than continuing to salvage sunk costs. These reviews would identify funding that could be used for higher priority work. Both A and B are consistent with their answers for adding value. Both are fully involved with their organizations to determine if existing investments still makes sense. The LOB’s value our input in this area as we know the technology, and help them understand why or why not we should continue. Both A and B
focus on one LOB and have become very knowledgeable in the business, which makes them key stakeholders who need to be consulted. This is working well for both areas.

For the sixth principle, Designing and Delivering a Coherent Capability, program managers A and B in coordination with the LOB makes determination, but does not monitor. No one reviews programs and projects once they are delivered to ensure that they are working as designed, or trying to determine why they are not. To realize this principle, we could combine the effort with principle five above into the stage gate review to determine if the program will deliver the capability desired. This can be accomplished by reviewing all associated projects to ensure that dependencies are known and that resources are assigned to the higher priority work. It would be advisable to create a sub team of associates to perform the work required, and then review the results at the stage gate review. Both A and B are generally consistent with their answers to designing and delivering capabilities. Both have an equal voice with their LOB’s to determine if they should move forward, or not. Both do not have any tools to determine project or program dependencies and rely on manual efforts to form linkages. Both do not control resources, but both are held accountable for results. This dynamic has been the practice for years throughout the company across the LOB’s.

For the seventh principle, Learning from Experience, program manager A has no process or method to capture lessons learned at the program level, which can be reviewed and applied for future programs. B collects lessons learned, but again, there is no process or method to share and learn from lessons experienced during execution. Many organizations struggle with lessons learned; however some have devised effective methods to capture and apply such lessons. This is one area where we need to focus as
those who fail to learn from the mistakes of the past are doomed to repeat them.

Conversely we need to learn from the successes to ensure that we do repeat them.

Research has shown that lessons learned is a key ingredient to success for projects:

“Indeed, an effective means of transferring learning from experience on projects has been noted as one of the key factors leading to consistently successful projects” (Cooke Davies T, 2002, p. 185-90). It follows that lessons learned should be an important output of programs since programs are made up of coordinated projects. “Consequently, it is argued that knowledge and information sharing between projects should be a cornerstone of effective programme management.” (Lycett, Rassau & Danson, 2004, p. 291) Clearly, programs and the organization will benefit from the effective documentation of lessons learned. Both A and B answered inconsistently. A conducts frequent checkpoints, but does not capture lessons learned. B conducts infrequent checkpoints, but does capture lessons learned that are just filed away as there was no real process to capture them, which has been changed in the last year or so.

To realize principle 7, we should structure and then collect all relevant data regarding lessons learned and best practices that were obtained during program reviews. Once collected, we need to assign categories and metadata to create the keywords that would be used during searches for such information, and then record in the lessons learned data store for reuse by anyone requiring such knowledge. We can develop a process where all lessons learned in a given area are automatically researched when new programs and associated projects are initiated.

Our leaders and program managers understand the general principles of program management and desire to move forward. The following quote accurately reflects our
current status and understanding of how it should work, but struggle to deploy it. We need to shift from just groupings of related projects to development of the whole program within the context of the whole organization.

“Program management is often perceived as the top layer of a hierarchy consisting of individual projects” (Kerzner, 2001) Program Management goals focus on improving efficiency and effectiveness through better prioritization, planning and coordination in the management of projects (Pellegrinelli, 1997) as well as in the development of a business focus by defining the goals of individual projects, and the entire program in regards to the requirements, goals, drivers, and culture of the wider organization (Lycett et al., 2004)” (Blomquist and Muller, 2006, p. 55)

Is it a Program?

To further determine if our application of program management met the criteria established in chapter 3, a checklist was created and used to compare the existing programs against the principles and practices studied to determine if there was a match with a working definition. The criteria used were determined from both the OGC book, and from the Program Leadership class at Penn.

Both program managers are senior consultant level associates (approximately $110,000 is the midpoint for this position), which would probably be the minimum acceptable classification for associates with this level of responsibility. One program manager was responsible for the iPower Utility program and the other was responsible for the Power OEM/POD program. The determination criterion has two sections, one is at the organization level with six (6) criteria, and the second is at the individual program level with seven (7) criteria. Listed below in table 7 is the checklist used to determine program fit with the answer of Y or Yes criteria met, or N or No, not met.
Table 7 - Program Determination Criteria Checklist

<table>
<thead>
<tr>
<th>Program Name / Purpose</th>
<th>Program Determination Criteria</th>
<th>Y/N</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utility Program – iPower / SAP WM</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Organization</td>
<td>□ Sponsoring Group / Governance Committee</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Program Board</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Project Board</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Defined roles with clear responsibilities</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Linkage to Strategic Goal - Corporate</td>
<td>Y</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Linkage to Strategic Goal - Department</td>
<td>Y</td>
</tr>
<tr>
<td>Program Level</td>
<td>□ Program Vision &amp; Mission</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Program brief describing program</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Group of related projects</td>
<td>Y</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Coordinated project management</td>
<td>N</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Linked to strategic corporate goals</td>
<td>Y</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Dynamically adapt plans to manage resources</td>
<td>Y</td>
</tr>
<tr>
<td>“ “</td>
<td>□ Business case or value proposition</td>
<td>Y</td>
</tr>
<tr>
<td><strong>Power Program – OEM / POD</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Organization</td>
<td>□ Sponsoring Group / Governance Committee</td>
<td>N</td>
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<td>“ “</td>
<td>□ Business case or value proposition</td>
<td>N</td>
</tr>
</tbody>
</table>

Both programs scored identical for organization: the same four out of six were No; however for individual programs, four out of seven were No for iPower, and five out
of seven were no for OEM/POD. Both programs in the two different areas did not have the recommended governance structure, but both were linked to corporate and departmental goals. The iPower program had a business case and value proposition, but the OEM / POD did not. Both programs were dynamic and adapted plans to manage resources to ensure that resources were focused on the most important projects.

From all appearances, our current practice of Program Management is an extension of Project Management. A comparison of the two program managers reveals that the concept of program management exists; however the practical application of program management principles and practices vary from the fundamentals of the practice and vary widely in utilization.

**Should it be a Program?**

I performed a high-level review that was based on project name only to determine if there were groups of related projects that may have potentially formed a program. This analysis is not complete nor may be accurate without fully understanding the projects scope and deliverables, which were not available for review. Some of the projects that could be grouped would form a unique portfolio, but not rise to the level of a program if the projects are ongoing maintenance type projects, or not be related to strategic goals.

A review of all 47 projects for the Power and ERT organization reveals that there could have potentially been at least 16 related projects assigned to 3 additional programs for the power organization where the similar deliverables appear to be the goal. The same review for the Utility organization of all 75 projects reveals that there could have potentially been at least 24 related projects assigned to 4 additional programs where the similar deliverables appear to be the goal, in addition to the 10 projects that are assigned
to the original iPower program. Classifying such projects as programs would add value to the organization by ensuring that the strategic goals were met and the benefits realized. Additionally, the program manager would ensure that resources were used efficiently.
CHAPTER 6

FINAL THOUGHTS

We have discovered that program management was barely visible in the IT department; however that is changing. Our leaders have determined that program management will help us to ensure that our resources are focused on achieving the strategic goals that our top leaders decided was most important for the future of the company. We need a good plan to move forward, and any good plan should begin with asking some fundamental questions, such as: who are we, where are we going, and how will we get there?

Who are we?

The existing program managers focus on portfolios as well as projects, which does not sharpen their focus on the future where program management excels. Many things will have to change to position the organization to effectively practice and utilize program management,

By nature, IT is a dynamically adaptive organization that is positioned to respond to business and technology changes in the market place that can provide the means necessary to facilitate and deliver the products and services that will provide our company with competitive advantages. While we have the vision and desire to become that organization, we are struggling with resource constraints and an ever increasing demand for our services that prevent us from being able to do what we know we should do and balance our workload. Can program management bridge the gap between resource
constraints and delivery of business outcomes, or will it become another program of the month that will go the same way as other efforts to transform the organization?

Once we have defined who we want to be, we need to know what we should do and where we should begin the journey. If it is decided that program management will take us where we need to be, it must be fully embraced and practiced as close as possible to the model to guarantee the best chance for success. Without that commitment, success cannot be achieved.

The IT department is trying to transform themselves from a reactive to a proactive organization that anticipates and responds to business and technology issues before they arise and take our business from where they are to where they want to be. It has been partly determined who we are, and we are fighting for the future and sustainability.

Where are we going?

Once program management has been decided to be the direction of the department, company leaders need to set the direction, and change the roadmap to the future by developing a plan to determine where we go from here. That plan must be supported by all lines of business as IT works for everyone and cannot be successful without the help of each business area. The effort will not be successful if only IT leaders desire to make the change and commit the organization as it is essential that we work together to achieve our goals by providing the necessary framework and infrastructure that is necessary to advance the company in the direct that they have established to lead us into the future.

The highest leaders of our organization know that IT will be a critical element that is necessary to deliver the products and services that are needed to facilitate the
technologies that will position the company for the years ahead. We must decide and commit collectively that we will work together to support our collective needs.

How are going to get there?

To begin to adopt program management, all leaders of the various departments need to form a cross functional governance board where the strategies developed by our highest leaders are known and discussed. High level plans need to be developed to implement the strategies to achieve the synergies necessary with the leaders of the various lines of business that comprise the company whom IT supports, to be a cohesive company where all parts are working toward the same objectives. Investments would be planned and prioritized according to the priorities of the business, based on the feedback from the top of the organization.

Next, we need to categorize and classify requests at the gate of entry before investments are initiated to determine if linkage exists to current programs or if the new investment is large enough and based on a strategic goal to form a new program. Of course, larger investments that constitute programs should be discussed well in advance of initiation to ensure alignment and give departments’ time to adapt to the changing conditions.

Last, we need to have program managers to complete staffing needs. Best practices show that program management is not an extension of project management as program managers need to act and think differently by focusing on the longer range goal and outcomes, rather than a tightly defined scope that is consistent with project management. Program managers need to be flexible, adaptable and be able to recognize opportunities when they arise and include them as necessary in the program, while not
being constrained similar to project management where scope is closely guarded. The following quote provides key insight regarding questions that need to be answered when considering hiring or promoting program managers:

Those corporate leaders who are responsible for providing a growing concession of competent programme managers to meet future needs have to be able to answer three questions. First, what distinctive qualities distinguish the good programme managers? Second, how can one assess which managers possess, or could possess those qualities? Third, can the competence of selected individuals be developed, or is the solution to rely on processes of selection and deselection (Partington, Pellegrinelli and Young, 2005, p. 88)?

The chances of a successful deployment increases when best practices are observed. Determining if an existing project manager can transition to a program manager is going to vary on a case by case basis. Some associates will be able to make the transition with minimal coaching and some with a great deal of coaching and patience; however research suggests that the chances of success are not higher using transitioned project managers.

It might be a disservice to take an all-or-nothing approach when perhaps a better plan might be to phase it in by preparing the organization for the change. This can be accomplished by examining our goals for alignment with existing programs, or with groups of projects that should become programs. The existing programs need to be analyzed to determine where they are in the program life cycle, and to see if any new or emergent programs need to be started.

Focus can then turn to the organization where the various recommended governance boards can be established, and where our resource allocations can be effectively planned and utilized. This would also be a good time to determine if any resources are a good fit to become or continue being program managers, and to learn
whatever training is available where resources can be properly developed. The appropriate grade level and salary need to be determined as well.

Conclusion

Program management can help reach the next level of maturity in the organization by ensuring that the correct focus is applied to the tactical and strategic goals of the organization. This can be accomplished by creating governance boards across the LOBs where synergies can be achieved when we work together to decide and agree on the highest priorities across the corporation where resources can be appropriately directed.

We can accomplish this by standardizing our classification of projects by their size, and based on complexity, and then review them for a program fit into either an existing program, or into a new program should the requested work rise to the level of a new program. We then need to perform a thorough review of the existing programs and projects not assigned to a program to determine if there is an appropriate program fit. Once reviewed and determined, we need to assign a program manager who has, or can develop the required skills, which can begin with mentoring.

We need to develop a better project, program and portfolio information system that is designed to manage each discipline. The current information system is project centric and the focus is on forecasting the project cash flow and manually updating project statuses. An information system is needed where projects are linked to portfolios, programs, resources, goals, products, and benefits based on process workflows to ensure that all deliverables, including goals and benefits are being met. An effort is currently underway to provide such a system, which the first phase is expected to be ready by October of 2012.
Company leaders determine where they want to focus the company for the future, and then determine how we will accomplish this vision. Program Management is one such approach that can transform and change the focus of the organization from the short-term where we are just keeping the operation going for today to the future. Integrated contributions from all departments will be needed to plan and research collectively to produce the products or services that will sustain the company for the long term.
REFERENCES


APPENDIX A

Glossary of Acronyms

AKA or aka – Also Known As

CIO – Chief Information Officer

LOB – Line Of Business

MBR Managers of Business Relations

PMI – Project Management Institute

PMO – Project Management Office

Sr. VP – Senior Vice President

VP – Vice President
## APPENDIX B

### Table 8. Full Program Management questionnaire and Analysis

**P# = Program Management Principle**

<table>
<thead>
<tr>
<th>#</th>
<th>Principle</th>
<th>Answer PgMgr A</th>
<th>Answer PgMgr B</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>P1</td>
<td>Remaining aligned with Corporate Strategy</td>
<td>Yes. I check for duplicates and similar related projects already in an existing Program, under my Portfolio of Projects. I evaluate the priority of the work and try to align the necessary resources to have assigned.</td>
<td>Yes and No. Work is normally introduced the prior year to be evaluated. Sometimes, there are emergent efforts that come in and these are evaluated, decided upon, and prioritized.</td>
<td>Consistent answer. A is performing role of portfolio manager and program manager, which have two different levels of focus. A &amp; B do not control resources.</td>
</tr>
</tbody>
</table>
|    | 1                                                 | **• Is work introduced in the same year evaluated for program fit?**  
**• If so, how?**  
Yes, on a weekly basis. There is a governance team comprised of IT and Business leaders at the Director and Senior Leadership Team (SLT) levels.  
Yes. There is a Fossil IT Council that meets quarterly to discuss IT related efforts being proposed. |                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                             |
|    | 2                                                 | **• Are there periodic discussions with both the LOB and IT to discuss current needs?**  
**• If so, at what frequency?**  
Yes, on a weekly basis. There is a governance team comprised of IT and Business leaders at the Director and Senior Leadership Team (SLT) levels.  
Yes. There is a Fossil IT Council that meets quarterly to discuss IT related efforts being proposed. |                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                             |
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<th>Answer PgMgr A</th>
<th>Answer PgMgr B</th>
<th>Analysis</th>
</tr>
</thead>
</table>
| 3  | • Are there periodic discussions with both the LOB and IT to discuss future needs?  
    • If so, at what frequency? | This largely depends on the time of year. The emphasis for this effort occurs during the third quarter for the next year. We focus on next year, but also discuss our five year rolling plan. For the most part, the discussion that we have beyond the new upcoming year amounts to adding financial placeholders for future year efforts. We don’t know what we will be doing from two to five years from now. | Yes, the Business Partner discusses with Fossil Leadership to help with the 5 year plan. This is done I believe twice a year. | Consistent answer. Both discuss the future and infrequently, but only financial placeholders are created. |
| 4  | • Are plans periodically reviewed and updated?  
    • Is there any coordination or alignment with LOB shadow IT organizations?  
    • If so, at what frequency? | Yes, on a monthly basis we make an effort to try to review future plans; however we do not have a good plan or communication effort to do a better job. | Plans are updated once a quarter as new initiatives and priorities, along with financial circumstances are known.  
    The coordination is done to some extent with Nuclear efforts since Nuclear and Fossil fall within Power. Because the business partner for Fossil and Nuclear are the same, this happens on an as needed basis. | Consistent answer, but different frequency.  
    A makes an effort, but admittedly falls short.  
    May not be fully aligned with shadow org.  
    B has a dedicated IT team who are focused on power. May need better updates. |
<table>
<thead>
<tr>
<th>#</th>
<th>Principle</th>
<th>Answer PgMgr A</th>
<th>Answer PgMgr B</th>
<th>Analysis</th>
</tr>
</thead>
</table>
| 5 | - Are plans periodically reviewed and updated?  
- Does anyone review how technology can improve the business and / or IT Systems to support the business? | Yes, which is context sensitive, meaning as the need arises for a specific effort due to an updated need or focus. Both IT and the Line Of Business (LOB) look at how technology can help manage the business; however our role often becomes nothing more than an ‘order taker’ as the LOB will see a new technology and say that ‘we want that, so go do it’, rather than bringing us a business problem to solve. | Plans are reviewed and updated once a quarter. The business partner, through formal meetings with the PMs updates and receives updates to the plan. | Consistent answer. A is not fully engaged with LOB as IT is an order taker where solutions are provided, rather than problems. They solve their own. B appears to have less similar dynamics, and is more involved with dedicated team. |
| 6 | - Does any leader provide direction regarding vision?  
- IT  
- LOB | Yes. From the IT perspective it is the Business Relationship Manager (MBR). From the LOB perspective it is the Vice Presidents and Directors. Two such Programs are the Mobile Strategy and Appliance Service. | Yes – vision is to expand: Performance Indicators (PI), Operational Efficiency Model (OEM), Environmental, Plan Of Day (POD), & Fleet Switching Awareness  
IT: VP, Business Relationship Mgr (MBR), Director Ops  
LOB: (SR VP) | Consistent answer. Both senior leaders provide direction & vision; however the vision does not appear to be planned beyond the next year’s projects, which reduces the need for change champions. |
<table>
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<tr>
<th>#</th>
<th>Principle</th>
<th>Answer PgMgr A</th>
<th>Answer PgMgr B</th>
<th>Analysis</th>
</tr>
</thead>
</table>
| 7 | • Would any leader be considered a change champion who would be considered agile and adaptive to change?  
• IT  
• LOB | Yes, but not in the right way. Their main focus is to keep the business running, with minimal look ahead to the future. | Usually programs are determined by the LOB and a Director level becomes champion. IT provides solution to meet the program needs.  
IT: Business Relationship Mgr (MBR)  
LOB: (SR VP) | Consistent answer.  
Both have leaders charged with this role; however the focus appears to be tactical. |
| 8 | • Do you perform a stakeholder analysis?  
• If so, do you actively engage stakeholders  
• If so, how? What frequency? | Yes and no. I know who the stakeholders are; but do not perform any formal or written detailed analysis for each program to understand who are my supporters, and detractors, etc. The project managers should be performing that task at the project level. | Yes, stakeholder analysis is done to determine which individuals or groups will be impacted. They are engaged as part of any initiative at the beginning and are part of the project communications and updates. | Consistent answer.  
Both rely on project managers for individual projects, and not at the program level.  
There will be overlap, but not at the correct level. |
<p>| P3 | Envisioning, and communicating a better future | | | |</p>
<table>
<thead>
<tr>
<th>#</th>
<th>Principle</th>
<th>Answer PgMgr A</th>
<th>Answer PgMgr B</th>
<th>Analysis</th>
</tr>
</thead>
</table>
| 9 | • Is there a clear vision of the future?  
   • What is it? | Yes and no. Some areas are more clearly than others. I think we are taking steps toward a clear vision within IT with the Strategy on a Page and other initiatives currently underway. Within my client base, yes, I think there is a very clear vision within most of the Utility leadership. | Yes and No: Not a planning culture. IT does not have a real plan, and the LOB has a partial plan | Inconsistent answer. A says it is very clear, but there appears to be little evidence from the LOB. B states that both IT and LOB do not plan well for the future. |
| 10 | Is there a future year plan? If so, how many years away? | There is a rolling plan that acts as a placeholder. It is for two years. | 5 Year Plans that are rolling. | Consistent answer. Both have plans, but only financial placeholders are created. |
| 11 | If it exists, how far up and down in the organization is it shared? | No. There is a strategy that is tactical rather than strategic. It is tough to do this are most leaders are too high level and not deep enough in the weeds. | The 5 year plan is shared with IT leadership and Fossil leadership and below to the IT Business Solutions people impacted by the plan. | Inconsistent answer. A has no strategic plan, but B does. It appears that B’s plan is just a placeholder. |
| P4 | Focusing on the benefits and threats to them | | | |

P4: Addressing the benefits and threats to them
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<tr>
<td>12</td>
<td>• Who determines the programs’ benefits or outcomes (questions 12-17)?</td>
<td>Mostly, if not all, the LOB. IT is not involved in this process.</td>
<td>Both the LOB, MBR and I review the programs benefits and outcomes. ROI and business cases are completed by MBR. The MBR reviews all business cases with LOB leaders who provide final approval.</td>
<td>Inconsistent answer. A and IT are not involved. B is fully involved with program outcomes and benefits.</td>
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<td>• IT and / or LOB?</td>
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<td>13</td>
<td>Are they linked to goals: strategic and / or tactical?</td>
<td>Some can be linked to goals, but not all.</td>
<td>Any linkage to goals is difficult to do, so it is not a conscious effort.</td>
<td>Consistent answer. Both see slight linkage to goals.</td>
</tr>
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<td>14</td>
<td>• Is a business case prepared, and is ROI determined?</td>
<td>This is done by the LOB only and IT is not involved in this process. This is reviewed and completed by members of the governance committee, which includes financial. IT is aware, but does not perform any of the work.</td>
<td>All efforts have ROI to determine feasibility and this is reviewed by Fossil, Power Finance and IT. In addition, these are presented to the PRC (Fossil Project Review Council)</td>
<td>Inconsistent answer. A and IT are minimally involved. B is fully involved with program from inception.</td>
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<td>• Is it reviewed by a governance committee? Local financial leader?</td>
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| 15 | • Any tools used for analysis, business case or ROI?  
  • Any ROI statistics to compare to actual performance? | Unknown as IT does not do this work.  
  ROI statistics are used occasionally where calculations have been completed. | Tools in general for analysis include  
  • Prioritization  
  • Benefits (Soft and Hard)  
  • Alternatives  
  • Production Risk  
  • Balance Scorecard Impact and Linkage  
  There is no standard financial model utilized | Inconsistent answer.  
  A and IT are not involved.  
  B is fully involved and has tools, but no standard model. |
| 16 | Is critical success criteria determined in the beginning?                  | No formal initiation process or effort to determine success criteria. This is not done. | Yes | Inconsistent answer.  
  A and IT are not involved.  
  B is fully involved. |
| 17 | • Are there both soft and hard metrics? Tied to scorecard?  
  • Are metrics revisited periodically? If so, what frequency?  
  • What are the outcomes? Who reviews the criteria? | Yes, for some more than others. They mostly used the same drivers to get work completed: promise of improved productivity for all periods: daily, weekly, monthly then yearly. Outcomes and metrics are rarely reviewed. | Yes, for Soft and Hard for both Programs and Projects, and yes, they are tied to balanced scorecard.  
  This is a 2 to 3 year effort.  
  We have mostly positive outcomes, but negative outcomes are dismissed. Both the LOB, MBR and I review the programs benefits and outcomes. | Inconsistent answer.  
  A/LOB does not tie prog. to metrics, and rarely reviews.  
  B/LOB prog tied to scorecard, and are reviewed, but are they realized, and for what time period do they monitor? |
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| 18 | • Are programs reviewed to determine if they add value?  
• If so, who does the evaluation?  
• Is there go/no go criteria based on priority? | I try to do that now: evaluate numbers. We make high level estimates based on whether or not it still makes sense to continue with this program. I do the evaluation along with the LOB. We have a Go/No Go review to see if it makes sense to still continue with the current program. | Sometimes. Specifically for those providing hard benefits. These are done by the Business Partner and PM. There is a go/no go based on priority. | Consistent answer.  
Both work with leaders to determine immediate and continuing value, and hold stage gate reviews for go/no go decisions. |
| 19 | • Have any programs or projects been stopped?  
• If so, what are the circumstances?                                                                 | Yes. Money did not add up. We evaluated and determine whether or not the program or projects within the program no longer fit. Some programs as well as projects within programs have been cancelled as a result. | Once initiated, projects are generally not stopped; however, projects were stopped even when they were initiated due to financial reasons, such as when O&M must be reduced. This action will stop and / or delay a project to the next year. | A/LOB reviews and decides to continue or stop.  
B/LOB only reviews when financial reasons arise. Proj / Prog are not stopped, but maybe delayed. |
|    | Designing and delivering a coherent capability                            |                                                                                                                                                                                                               |                                                                                                   |
| 20 | Who determines what capability is needed?                                  | Either the project architect who is assigned by the Delivery Manager or the Delivery Manager themselves will determine the capability.                                                                    | The MBR and Sr VP decides the capability.                                                           | Inconsistent answer.  
A/IT decides for LOB.  
B/IT/LOB decides. |
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<td>21</td>
<td>Who determines if a program will and does deliver the desired capability?</td>
<td>This is done by a joint discussion with the LOB and IT and is not revisited once determined.</td>
<td>This is sometimes done and only when the project or program is finished. There is only a focus on good projects or programs. Any negative projects or programs are not reviewed any further.</td>
<td>Consistent answer.</td>
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<td>A/LOB makes determination, but does not monitor.</td>
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<td>B/LOB makes determination, but does not monitor.</td>
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<td>22</td>
<td>How are inter and intra program and project dependencies determined and managed?</td>
<td>That activity is not done at this time. This would require a great deal of effort where no tool or process exists.</td>
<td>There is no tool or current process used to provide that information. I know that information, but it is not displayed anywhere. Primavera can do it, but it is not designed to do it know.</td>
<td>Consistent answer.</td>
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<td>A/IT does not monitor, track dependence.</td>
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<td></td>
<td>B/IT does not monitor, track dependence.</td>
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<td>No tools or methodology.</td>
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<td>23</td>
<td>How are resources managed within programs? Within projects? Within Portfolios?</td>
<td>I try to leverage using the same resources, which is much more efficient and coordinated; however it is not always possible to do this due to competing demands on their time.</td>
<td>There is no current method or effort to manage resources within programs or even projects. There are some constraints due to operating practices and geography, such as anything for Nuclear must be done by Nuclear resources wherever possible.</td>
<td>Consistent answer. A does not control resources. Funct. Mgr assigns res. B does not control resources, but he has more control with dedicated team. Funct. Mgr assigns res.</td>
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</table>
| 24 | • Any report populated with classified information for programs, portfolios, or projects (P3)  
• Program Priority  
• Project Rank | I have a Portfolio Dashboard: iPower, utility. I have my own spreadsheet that tracks everything. There is no detail or updates, other than just high level updates regarding status: Red, Green or Yellow. | No, there are only manual and partial spreadsheets based on a rolling five year plan that is ranked by priority, such as regulatory mandated, etc. There is a score that is used to provide some objectivity. | Consistent answer. A/B/IT does not have tools, or method to track. All manual effort. |
<p>| P7 | Learning from experience | | | |
| 25 | Do you conduct periodic review or checkpoints during program/project execution? | Yes, I conduct a weekly review to track all programs and compare plan to actuals. | Yes and no. Only review is occasional and only with key stakeholders. | Inconsistent answer. A conducts informal weekly checks. B infrequent. |</p>
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| 26 | • Do you conduct a final review or checkpoints upon program/project completion?  
     • If so, are lessons learned recorded? | There is no formal process to do that; however that is something that we should do. No lessons learned are captured.                             | Yes. We do document lessons learned; however they are filed away and not re-used again. | Inconsistent answer. A does not. B yes, but no process to share lessons. |
| 27 | • If so, are they classified by area/criteria?  
     • What area/criteria is used?  
     • If so, what is done with the lessons learned? | There is no formal process to do that; however that is something that we should do. No lessons learned are captured or recalled for future use. Again, we need to do this. | N/A – lessons learned are filed away.                                           | Inconsistent answer. A does not. B yes, no criteria, and no process to share lessons. Just filed away. |