Agile Programme Management

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Business Agility

• Business agility stems from:
  – People, and their attitudes
  – Being alert to opportunities
  – An organisational ability to embrace change

• Agile organisations have agile leaders

• Systemic ability to embrace and manage change
What is a Programme?

A connected set of projects and activities that are managed as a cohesive unit such that they achieve outcomes and realise benefits of strategic importance to the organisation.
## Programmes vs. Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by deliverables</td>
<td>Driven by Vision of “End State”</td>
</tr>
<tr>
<td>Finite - defined Start and Finish</td>
<td>No pre-defined path</td>
</tr>
<tr>
<td>Bounded and scoped deliverables</td>
<td>Changes to the business capability</td>
</tr>
<tr>
<td>Delivery of product, service, outcome</td>
<td>Co-ordinated outputs delivery</td>
</tr>
<tr>
<td>Benefits usually realised after project closure</td>
<td>Includes projects not directly delivering benefits</td>
</tr>
<tr>
<td>Shorter timescale</td>
<td>Benefits realised during the programme and afterwards</td>
</tr>
<tr>
<td>Longer timescale</td>
<td></td>
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</tbody>
</table>
What is a Portfolio?

A set of projects and programmes that need to be managed to achieve maximum value from available resources – may not have any other connection or interdependencies.
## Programmes vs. Portfolios

<table>
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<th>Programme</th>
<th>Portfolio</th>
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<tbody>
<tr>
<td>A single set of benefits related to programme vision</td>
<td>Separate benefits statements - only RoI can be aggregated at portfolio level</td>
</tr>
<tr>
<td>A single programme plan coordinating all the projects and subordinate programmes</td>
<td>A disjoint set of programme and project plans</td>
</tr>
<tr>
<td>All resources and dependencies planned and committed</td>
<td>Resource and dependency conflicts hard to manage</td>
</tr>
<tr>
<td>Single programme risk assessment with ongoing monitoring and management</td>
<td>Diverse risk assessments. Portfolio-level risk hard to gauge and monitor</td>
</tr>
</tbody>
</table>
Portfolios and Programmes

- Portfolio
  - Programmes
    - Projects
  - Projects
  - Programmes
    - Sub-programmes
      - Projects
Agility at the portfolio level

• Planning is often annual and independent of the programmes in place
  • Slow to realise change of direction
  • Slow to realise new opportunities
• Fixed budgeting cycles result in feast or famine
# Annual versus agile budgeting

<table>
<thead>
<tr>
<th>Factor</th>
<th>Annual portfolio review</th>
<th>Agile portfolio review</th>
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<tbody>
<tr>
<td>Basis for funding decisions</td>
<td>The known state of the organisation at the end of the financial year and the prediction for the next year</td>
<td>The known state of the organisation at any point during the financial year</td>
</tr>
<tr>
<td>Capacity for change</td>
<td>Limited by the allocated budget and the associated controls</td>
<td>Enabled through continuous monitoring of both the internal and external business environment</td>
</tr>
<tr>
<td>Commitment to spend</td>
<td>“Once and for all” decisions made annually, leading to some wastage of funds on unnecessary work at the end of each financial year</td>
<td>Discretionary funding decisions enabled throughout the year</td>
</tr>
<tr>
<td>Use of funding</td>
<td>Potential for holding back on using resources early in the financial year, because “they might be needed later”</td>
<td>Funding used to the full when allocated to move the organisation forward</td>
</tr>
<tr>
<td>Exceeding budgets</td>
<td>Reported at fixed points, e.g. quarterly – leading to disaster recovery</td>
<td>Reported at the time when it becomes apparent - enabling better control of financial risks</td>
</tr>
<tr>
<td>Benefits delivery</td>
<td>May well be aligned to the annual cycle for ease of measurement and overall governance</td>
<td>Aligned to the ability to deliver</td>
</tr>
<tr>
<td>Risk assessment</td>
<td>Based on the known state at the start of the financial year</td>
<td>Based on the state of the programme in its incremental delivery</td>
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</table>
Think big - act small

add value (business value)

functionality contained by version 1

approx 2-3 months

Increment 1

Increment 2

Increment 3

Vision

Time
Time boxing (DSDM)

big bang approach

Must

1/1

1/8

31/12

delay

Must

big bang aproach

time box aproach

Must
Programme Tranches

- **R** Research project
- **D** Development project
- **C** Change project

Current Business

Future State Vision

1st tranche
- Benefits enabled

2nd tranche
- Benefits enabled

3rd tranche
- Benefits enabled

Tranche 1 projects
- R

Tranche 2 projects
- D

Tranche 3 projects
- C
What is Programme Management?

Leadership, facilitation, negotiation, coordination, communication, managing interfaces and interdependencies, etc. etc.
Seven Habits of Highly Effective People
(Stephen R. Covey)

• **Be proactive** Reactive people blame other people and circumstances for obstacles or problems. Being proactive means taking responsibility for everything. Initiative and taking action will then follow.

• **Begin with the end in mind** This is about setting long-term goals based on "true north" principles. Clear vision.

• **Put first things first** Focus on results and benchmarks that are to be agreed upon in advance, rather than prescribed as detailed work plans.

• **Think Win/Win** Look for mutually beneficial solutions that satisfy the needs of the parties involved.

• **Seek first to understand, then to be understood** Listen before expounding.

• **Synergise** Apply effective problem solving and collaborative decision-making. Value differences. Build on divergent strengths.

• **Sharpen the saw** Regain what Covey calls "production capability" by engaging in selected recreational activities.
## Agile Programme Management Maturity Model

<table>
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<tr>
<th>Category</th>
<th>Level 1 Ad-hocracy</th>
<th>Level 2 Variability</th>
<th>Level 3 Reliable delivery</th>
<th>Level 4 ROI optimisation</th>
<th>Level 5 Business Agility</th>
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<tr>
<td><strong>Business</strong></td>
<td>Bottom-up determination of projects favours “more of the same” rather than business benefit or alignment to strategy</td>
<td>Programmes pay lip service to benefits and use them as a means to post-justify already chosen work. Few programmes have measurable benefits</td>
<td>Programmes predicated on a top-down basis primarily against delivery of business. Measurable benefits at the programme level.</td>
<td>Line of business portfolios where programmes broadly support business strategy. ROI of portfolio aligns to an accepted target for the organisation</td>
<td>Organisation is primarily investing in a number of strategic programmes, which are totally aligned with a well-articulated strategy.</td>
</tr>
<tr>
<td><strong>Synergy</strong></td>
<td>Overall portfolio consists of a large number of individual projects</td>
<td>Programmes used primarily as a management tool to simplify the portfolio. Many people equate “programme” with “large project”</td>
<td>Each programme has a relationship to a specific business vision. Most projects run in the context of an owning programme. Programmes are used primarily to manage cost.</td>
<td>Portfolios are additionally used to manage benefits. Some instances of “strategic programmes” – used to group sets of programmes within a business vision</td>
<td>Most work is organised via a number of strategic programmes. Form-wide synergies are exploited wherever possible via cross-functional programmes.</td>
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<td>Culture</td>
<td>Programmes and projects have no common view of the needs of the organisation and do not share information one with another.</td>
<td>Programmes follow a predetermined path decided at the start of the financial year. Programme Managers treat changes of direction as a threat.</td>
<td>Programmes are fully cognisant of their impact on not only the organisation but other programme as well. Programmes are initiated outside the annual planning cycle.</td>
<td>As level 3 plus ROI within the current financial year is used as a prime tool in determining the direction of most programmes.</td>
<td>All programmes are highly responsive to change in the organisation's strategy and environment</td>
</tr>
<tr>
<td>People</td>
<td>Technical, business and project management skills take precedence over programme management and governance skills</td>
<td>Programme management is a recognised skill with some appropriate education available.</td>
<td>All relevant skills needed for successful delivery are recognised and valued (e.g. including Programme Sponsor). Some validation of role/skill compatibility.</td>
<td>All relevant skills that benefit the business are recognised and appropriate roles exist for them (notably change management and portfolio management)</td>
<td>Strategic programme managers have the same standing in the organisation as senior business managers.</td>
</tr>
<tr>
<td>Systems</td>
<td>“Not invented here” attitude to tools and methods. No reliable MIS. Reporting, if any, documents history.</td>
<td>Some use of common tools and methods in spite of resentment. Local re-invention of tools and processes. MIS and reporting used to defend against failure.</td>
<td>Practitioners feel ownership of common tools and methods and actively promote their use. MIS at the programme level helps to optimise delivery (e.g. managing resources and dependencies).</td>
<td>Systems and methods are actively adapted to suit the needs of each programme whilst common MIS remains available across the portfolio.</td>
<td>The organisation actively leverages MIS at the portfolio level to optimise its business approach.</td>
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Summary

• Agility is systemic

• Portfolio management must be flexible

• Project delivery needs to be guaranteed to be on time, on budget and to the required quality

• Agile programme management is not about the PMO, the Governing Body, etc…. it’s about culture