Program Management has been the basis for developing products, services, infrastructure capabilities, and for managing transitional change initiatives for decades. Its use however, has become more wide-spread in recent years. Not surprisingly we have found that how program management is established and practiced can vary greatly. From companies that use it as an important extension of their business processes, to other companies that use program management in a more limited role such as providing administrative and facilitation support, many times supporting the firm’s project management efforts.

Increasingly organizations are recognizing the importance of program management as a key factor in improving and achieving their business results. Supporting this recognition, PMI states that, “A key difference between program management and project management is the strategic focus of programs. Programs are designed to align with organizational strategy and ensure organizational benefits are recognized.”

Through our careers we have seen that a transition to program management can yield significant improvement in a firm’s ability to achieve their strategic goals, competitive position, and financial results. To realize such improvement requires an awareness, willingness, and commitment to change the organization’s culture, overcome internal politics, and establish a new mindset regarding roles, responsibilities, and functions.

We begin this four-part article series with a case study experienced by the authors. The case highlights an organization which has embarked on a program management transition. In this case, program management is not new to the organization. Rather, it is a case where a once strong and effective program management function was left to atrophy due to a period of senior management disinvestment. We use this real-world example, titled “The Ah-Ha Moment”, to underscore the fact that sustainable change has to be driven from the top of the organization for effectiveness and sustainability. Additionally, we will introduce the concept of the program management continuum and show why it is critical for senior leaders, functional and line managers, and program and project managers within an organization to recognize and understand where they are on the continuum in order to align expectations, properly set roles and responsibilities, as well as empower and set decision-making boundaries for their various players and positions.

1 The PMWJ series of articles on program management is authored by Russ Martinelli, Jim Waddell, and Tim Rahschulte, principle advisors at the Program Management Academy in Oregon, USA. More about the authors and the Program Management Academy can be found at http://www.programmanagement-academy.com/.
The Ah-Ha Moment

The senior management team of a major U.S. defense contractor was situated in one of the company’s training rooms and engaged in a lively discussion about the performance of their program managers. At the center of the discussion was a question posed to them about the program manager’s role in driving business results for their organization.

As the senior leadership team debated, it became apparent that the role of a program manager was more dependent upon the abilities of each person serving in the role than by systematic design of the role itself. The discussion then shifted to the abilities of each of their program managers to fulfill an expectation that they operate as the ‘business manager’ of the specific program they are managing. At one point Frank DeYoung, R&D Director for one of the product line businesses, reset the discussion by stating “This really isn’t about the abilities of each of our program managers. I think it’s about setting clear expectations and then performing to those expectations.”

With that, the discussion moved to how program management is used in various organizations. It was explained that some organizations establish their program management function with an administration focus, some with a facilitation focus, others with an integration focus, and still others with a business focus. The illustration shown in Figure 1 was drawn on a white board in the training room, and the senior leaders were asked where they expected their program managers to be operating. Lively discussion again ensued with consensus suggesting the leadership team expected the program managers to be operating in the far right stage of the illustration – “As a business manager,” it was mentioned. One leader underscored the opinion by stating that a program manager should operate as the “CEO” of his or her program.

They were then asked another question – where do you believe the program managers currently see themselves operating? This time the discussion was more subdued because they realized a problem was about to surface. The leaders agreed that the program managers were currently operating to the left of the center point; as program facilitators more than program managers. The gap between expectation and reality was now very apparent as shown in Figure 2.
A long period of silence was finally interrupted by Dave Mitchell, the Division Vice-President, who stated, “We all see the problem, and this team owns fixing it.” Dave later described this as his “Ah-ha Moment” about program management. To provide the greatest value to an organization, program management must be established as having a strong business focus.

So why is there a gap between expectations of how the program managers should operate within this company and how they are actually performing? The senior leadership team characterized the gap as having two primary causes. The first cause was described as an atrophy of their program-oriented culture, which was due to prior disinvestment of their program management office and much of the infrastructure that was in place to sustain the program management discipline, and enable the program managers.

The second cause was the senior leadership team themselves. Each of the leaders had been a program manager on his or her journey to senior business leader roles. However, they had those roles at an earlier time when the organization was fully program-oriented and they were in fact able to operate as true business managers in charge of a program. The realization was that they expected their program managers to operate in like manner, but the organization’s culture no longer supported it.

This company is not unique. Nearly every organization we work with has a gap between where they are currently operating with respect to their program management practices and where they want to operate long term. Closing this gap means change and a managed transition.

Realizing a successful program management transition requires an awareness, willingness, and commitment to change the organization’s culture, overcome internal politics, and establish a new mindset regarding roles, responsibilities, and functions. Becoming a program-oriented organization can affect all levels of management and employees. It changes the rules of engagement, decision-making hierarchies, teams and team structures, and requires competencies different than those prevalent in traditional project-oriented organizations. Dave Mitchell and his leadership team were about to embark on a transition to a stronger program-oriented organization.

**The Program Management Continuum**

Organizational transformation is a challenging endeavor, and transitioning to program management is no different. As the example above demonstrates, to begin a transition, an assessment has to be made concerning current state and desired
state. The Program Management Continuum, as exhibited in Figure 3, is an effective tool for assessing the gap between how an organization is currently operating and how they want to operate with respect to program management in the future.

![Diagram of the Program Management Continuum](image)

**FIGURE 3. The program management continuum**

The Program Management Continuum is the subject of the next article in this series and we explain it in detail there. For now, we explain the basic structure of the continuum and how it relates to the transition to program management.

In reality, not all companies utilize their program management discipline as an extension of their business processes. Therefore, the role of the program manager can vary greatly from company to company (or even within different divisions of the same company).

In organizations where the level of program management use is high, it is often viewed as part of the business management function and is linked to corporate and business unit strategy. We refer to these organizations as being program-oriented. Conversely, in organizations where program management is not used to its full capacity, program management normally serves as a coordination function and an extension of project execution. We refer to these organizations as project-oriented.

Figure 3 illustrates program management orientation as a continuum with four distinct stages – administration-focused, facilitation-focused, integration-focused, and business-focused.

In general, organizations which are primarily project-oriented utilize program management practices as either an administrative or facilitative function. As one moves to the right of the center point on the continuum, program-oriented organizations are found which realize the potential of program management to serve as an integrator of project outcomes that are at least linked to the business engine of the company.

At the center of the continuum lies an important point which we refer to as the program management point of transition. The point of transition is a philosophical decision point where the senior leaders of an organization make a purposeful and concerted choice to move their organization from being primarily project-oriented to being program-oriented. The transition point represents the formal acknowledgement by senior management regarding the importance of the program management discipline as a strategic benefit to the organization and the need to formally and actively empower the program manager to fulfill this role.

In the company scenario we described above, the senior vice president, Dave Mitchell, experienced a philosophical transition which he described as his ‘ah-ha moment’. He came to the realization that he needed to lead a transition of his
organization that focused on becoming a program-oriented business once again. Continued business success depended upon it.

For the companies that realize the need for transition from one level of program management maturity to another, they must do so knowing that crossing the point of transition creates considerable change in culture and requires a clear vision and strong leadership. Being able to physically see the gap between reality and expectation through the use of the program management continuum allows a leadership team to further characterize the change needed and establish a desired end state or vision for how their program management discipline should be established.

In the next article in this series we characterize the Program Management Continuum in more detail in order to provide the reader a more comprehensive understanding of this tool and how it can benefit your organization. The various stages of the continuum will be characterized in order to increase understanding as to how the program management role and corresponding responsibilities are applied to each stage.
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