Lucidus Consulting

Lucid Thought

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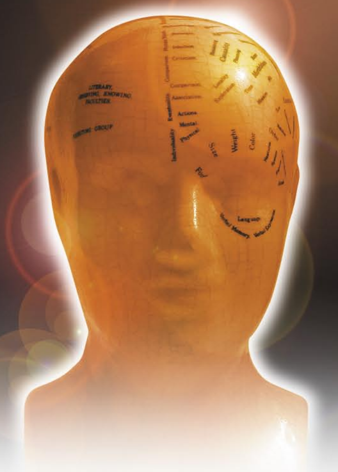


LUCID 29 THOUGHT

Annualised funding regimes and programme management

In this Lucid Thought we are motivated, partly out of frustration as a supplier and partly reflecting the frustrations of a number of our clients, about the tensions created when attempting to manage a programme to deliver beneficial change of a strategic nature within an organisation when the work spans more than one fiscal year.

If you read our Lucid Thought 20, you will recall we included a table comparing the definitions of project, programme and portfolio from the Association for Project Management (APM), Office of Government Commerce (OGC) and Project Management Institute (PMI®) respectively. Below are the three definitions of programme from each of these organisations.

A group of related projects, which may include related business-as-usual activities, that together achieve a beneficial change of a strategic nature for an organisation.
APM Body of Knowledge - 5th Edition - 2006

A temporary flexible organisation structure 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 an organisation's strategic objectives; a programme is likely to have a life that spans several years.
OGC Managing Successful Programmes - 2007

A group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually. Programs may include elements of related work outside of the scope of the discrete projects in a program.
PMI® The Standard for Program Management - 2006

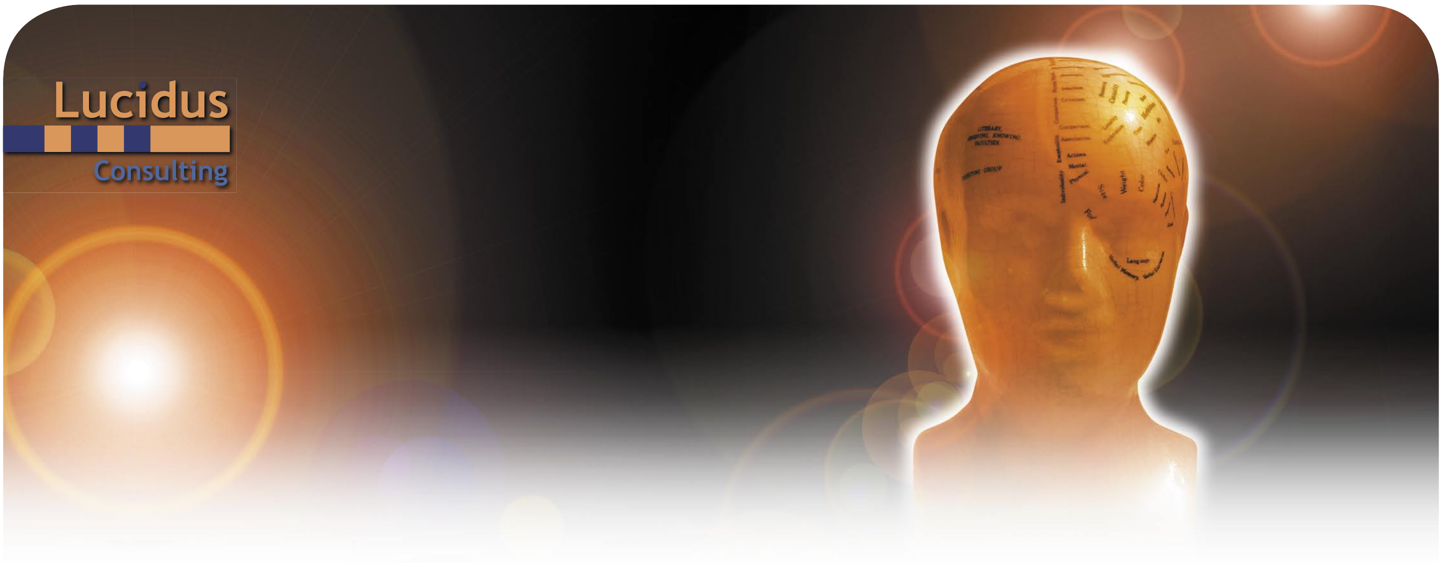
Our perspective is that all three definitions are agreeing that programmes are coordinating frameworks, including projects and other sorts of operational work, and always focussed on significant change. OGC are explicit in saying that the life of the programme is likely to span several years, while APM and PMI® imply it. In our experience, most programmes delivering significant change are not bounded by one fiscal year.

So it is a necessary evil for many programme managers, but nevertheless frustrating when the planned changes are constrained by annual funding cycles; you know what the end benefits are you need to achieve, you have an approved business case for the whole programme, but because all investment needs to be (re)-approved annually then plans need to change.

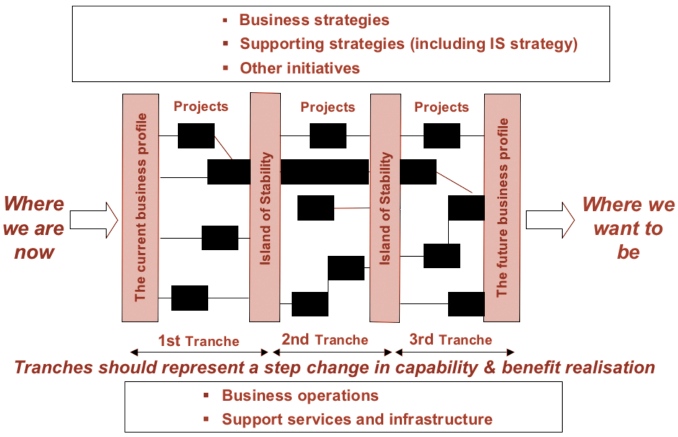
So, our Lucid Thought on this matter is that we need to:

- Accept our organisation's fiscal controls for what they are (there are good corporate control reasons)
- Understand the fiscal controls of our clients (if we are supplying programme management services to them)
- Use the cyclical programme framework to our advantage - we will explain more about what we mean below.

One of the fundamental differences between the project and programme approaches to managed change is the approach to scope and time management. In a project you expect to decompose the scope fully at the start and then plan the sequence of activities using either a critical path or critical chain method. In a programme it is not possible to decompose all of the scope with any certainty at the start, and so using tranches (from the French word for slice),



the programme can be split into sections that represent chunks of change that take the organisation forward to a new and **'safe'** place to be. This is shown in the diagram below, adapted from the original edition of Managing Successful Programmes (CCTA 1999).



People sometimes get confused and say - **well that's just like a phase in a project life cycle** - but that is not the case. The point about the end of a programme tranche is that if funding was stopped (for any reason) at the end of that tranche then it would be a stable place to end, with at least some of the new capability and benefit in place.

Our personal experience is that people (and we are no exceptions) plan changes that will span more than one financial year in a project mind-set, and then find that if funding is cut in the second or subsequent years, the change is not in a stable place.

In our personal example; if we'd thought about this harder we would not have agreed to a schedule where a large number of people undertook half of a development programme in one year and then weren't allowed to complete it in the second! The people concerned are confused and de-motivated and the value of the investment so far is threatened. It would have been better if a smaller number had done the whole thing in the first year and then the organisation could have expected tangible differences in behaviour and project effectiveness from those people.

We have many more examples of our clients investing heavily for short periods of time, then not finding the funds to see through what they've started.

So we would encourage everyone to think about how this might apply to them, and to use a programme scheduling approach for changes than span more than one year, making sure that at any point where annualised funding might have an impact, that you are in a place where you could stop and achieve at least some of the benefits if not all that you'd planned for.

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