

## Differentiating Programs from Projects

Program management is an increasingly important organisational concept that focuses on business and strategic issues that cannot be resolved at the project management level. Each program consists of a group of related projects managed in a coordinated way to obtain benefits and control not available when managing them individually; and may include elements of operational work prior to the program’s final outcomes being transitioned back into normal operations. This usually means the program is associated with a wide-ranging organisational change or key strategic objective, and its embedded projects are designed to support the achievement of that common goal. Depending on the nature of the nature of the goal or objective, the program may be structured in a variety of ways; the different types of program are discussed in WP1022 Program Typology<sup>1</sup> The management of programs (the role of the Program Manager) is discussed in WP1076 Program Management<sup>2</sup>.

In one key respect, there should be **no difference** between a projects and programs - all programs and all projects should be focused on delivering business outcomes and benefits and the outputs and the measures of success (delivery of the desired business outcomes and benefits) should be the same for both programs and projects. What’s different is the degree of involvement in achieving these benefits:

- Project managers are responsible for delivering the project’s outputs in a way that supports the realisation of benefits<sup>3</sup>, other managers (typically the Sponsor<sup>4</sup>) are responsible for the organisational changes needed to maximise value.
- Program managers have significantly more responsibility to assist the organisation achieve the intended benefits.

### Separating Programs from Projects

The criteria that separate projects from programs are not clear cut. The building works for the 2012 Olympics were managed as a program of works; multiple projects managed in a coordinated way. Whereas a construction project to build a major export oil refinery in Saudi Arabia due for completion in 2013 and with a similar construction value to the Olympics is being managed as a single major project despite many of the packages exceeding US\$1 billion.

The criteria that differentiate a program from a project may include some or all of the following:

Criteria	Olympics	Oil Refinery
- There are multiple deliverables staggered over a period of time.	Yes	No
- The timescale is relatively loose and flexible focused towards achievement of benefits, rather than meeting strict deadlines.	No	No
- The scope is relatively fluid and dynamic changes are expected to optimise outcomes.	??	No

<sup>1</sup> For more on **program typology** see: [http://www.mosaicprojects.com.au/WhitePapers/WP1022\\_Program\\_Typology.pdf](http://www.mosaicprojects.com.au/WhitePapers/WP1022_Program_Typology.pdf)

<sup>2</sup> The skills needed to manage a program are quite different to the skills needed to manage a major project. Program managers manage project managers; project managers manage the delivery of technology. For more on this see: **Understanding Programs and Projects-There’s a difference!** [www.mosaicprojects.com.au/Resources\\_Papers\\_078.html](http://www.mosaicprojects.com.au/Resources_Papers_078.html) WP1076 **Program Management**: [http://www.mosaicprojects.com.au/WhitePapers/WP1076\\_Program\\_Management.pdf](http://www.mosaicprojects.com.au/WhitePapers/WP1076_Program_Management.pdf)

<sup>3</sup> For more on **realising benefits** see: [http://www.mosaicprojects.com.au/WhitePapers/WP1023\\_Benefits\\_and\\_Value.pdf](http://www.mosaicprojects.com.au/WhitePapers/WP1023_Benefits_and_Value.pdf)

<sup>4</sup> For more on the **role of the Sponsor** see: [http://www.mosaicprojects.com.au/WhitePapers/WP1031\\_Project\\_Sponsorship.pdf](http://www.mosaicprojects.com.au/WhitePapers/WP1031_Project_Sponsorship.pdf)



- There are relatively high levels of ambiguity and uncertainty (particularly at the beginning, focused on how the business objective can best be achieved).      ??      No
- The work is complex and multi-disciplinary.      Yes      Yes
- Management is at a departmental level or higher.      Yes      Yes
- The benefits are expected to be delivered incrementally during the lifespan of the initiative.      ??      No

The Olympics has a significantly higher number of ‘Yes’ or possible/partial ‘??’ criteria (the intention is to progressively open and test venues) than the oil refinery but neither are 100% definitive. Provided the skills are available within an organisation if there is any doubt, the problems caused by managing a major project as a program are far fewer than the problems caused by trying to manage a program of work as a project. A different but equally important classification is between normal, complex and mega projects (although megaprojects are almost always a program)<sup>5</sup>.

### Variation in management approaches:

The table below describes some of the differences between the domains of project and program management. The source is *PMI Today May 2006*, and PMI’s *Standard for Program Management*.

	Projects	Programs
<b>Scope</b>	Narrow & defined. Projects work best with a single clear goal.	Wide; may change to optimise the organisational benefits realised
<b>Change</b>	Minimised through effective processes and managed.	Expected, change is embrace to maximise benefits (focusing on project not yet started)
<b>Success Measures</b>	Budget, schedule, products to specification, and stakeholder satisfaction	Measured by the degree to which its objectives are achieved, may include: ROI, new capabilities, benefit delivery, organisational change.
<b>Leadership</b>	Focus on task delivery for success criteria. PMs are team players; must use knowledge and management skills to motivate	Managing relationships, conflict resolution, politics of stakeholders; provide vision and leadership
<b>Team Management</b>	PMs manage team members who are generally technicians, technical specialists	Program managers manage project managers and program staff
<b>Planning</b>	Detailed to manage delivery of ‘products’; using progressive elaboration	High-level to guide projects
<b>Monitoring</b>	Tasks and the work of producing project deliverables	Projects and ongoing work through governance structure

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<sup>5</sup> For more on **differentiating normal, complex and megaprojects** see: <https://mosaicprojects.wordpress.com/2017/06/09/differentiating-normal-complex-and-megaprojects/>

