

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, and its embedded projects are designed to support the achievement of a common goal or strategic business objective.

The criteria that separate projects from programs are not clear cut. The building works for the 2012 Olympics are being 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:

	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
- 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.

However, it is important to recognise 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 is a difference!* at www.mosaicprojects.com.au/Resources_Papers_078.html

WP1022, Defining Program Types, describes three types of program based on research by GAPPS; see: http://www.mosaicprojects.com.au/WhitePapers/WP1022_Program_Typology.pdf