

Embrace and Exploit Change as a Program Manager: Guidelines for Success

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Abstract

“Change is the only constant.” – Heraclitus, Greek philosopher

Although this statement was made more than 2,000 years ago, it is definitely true today with our complex programs and projects, the need to do more with less, and the continual mergers and acquisitions. What may be the number one program in an organization’s strategic portfolio one day can easily change to number 50 tomorrow. We live in a world where "business as usual" is change. New initiatives, working on programs and projects, managing a portfolio to ensure our organization stays ahead of its competitors in an increasing complex work have become ‘business as usual.’

It has long been recognized that as project managers our job is to minimize change, especially in terms of scope, schedule, and cost; however, as we move into program management positions, we instead focus on embracing and exploiting change. This truly is a culture change, not only at the individual level but also at the organizational level, because our tendency is to resist change and not realize that it can and must be used to our advantage. As programs are to deliver more benefits to our organizations and customers than if the projects in them are managed in a standalone way; as program managers we must be attuned to changes in our organization’s strategic environment and in its goals and objectives. We must continually assess not only our program, but our projects in our program, to ensure there is a strategic fit with the organization’s objectives, and if not, we may need to terminate a project, add a new project, and reprioritize our work. We must focus on the organization’s portfolio. We need to recognize the interdependencies among our projects and shift resources as required. We therefore need to plan for change and its potential impact and establish an environment in our program teams that is conducive to change. Once a change does affect our program, we must be ready to assess its impact and manage it as soon as possible. This is easier said than done. This paper describes how to best focus on embracing and exploiting change as a program manager or a potential program manager and describes a competency model to use to assess your strengths and opportunities for improvement in this key area.

Change Management – Projects, Programs, and Portfolios

Overview

Project Management Institute (PMI) in its 2008 second editions of the *Standard for Program Management* (PMI, 2008c) and the *Standard for Portfolio Management* (PMI, 2008b) as well as in the fourth edition of *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)* (PMI, 2008a) provides an overview of change as follows:

“Project managers expect change and implement processes to keep change managed and controlled”

“The program manager must expect change from both inside and outside the program and be prepared to manage it”

“Portfolio managers continually monitor changes in the broad environment” (PMI, 2008c, p. 11)

While change is a constant theme for all three managers, it is expected at the three levels but managed in different ways. However, portfolio, program, and project managers are change agents even though the timing of the changes

that do occur is uncertain. Stakeholders at all levels will have changing priorities that must be addressed, and especially at the program level, it is essential to embrace these changes as required.

PMI described in its *Pulse of the Profession* many areas of focus in portfolio, program, and project management. Concerning change, this report noted, “change management and project risk management will become even more core competencies” (2012a, p. 2). This survey found 70% of respondents “always or often use change management techniques to manage their projects and programs and that these practices lead to higher success rates.” (p.2) In terms of a trending practice, use of change management increased from 71% in 2010 to 73% in 2011. Such use, always or often, was at the top of the list of 11 practices (p. 5). In terms of the most critical *project* success factors, effective change management was ranked fifth (p. 7).

Why Change is Inherent in Program Management

Benefit Realization and Management

A benefit is defined as an “opportunity that provides an advantage to an organization, such as increased profit, improved operations, growth, or improved employee morale” (PMI, 2008c, p, 309). Programs generally are established to provide additional benefits than if the projects within them were managed in a standalone way. These benefits once realized, either throughout the program or at its end, result in change. Setting a vision or end state at the beginning of the program and ensuring and promoting buy-in to it from stakeholders when the program is approved and from the team at the kickoff meeting can set the stage for a focus on the benefits to be delivered.

Next, a benefit realization plan that describes the tangible benefits, typically financial measures, plus the intangible benefits, such as improved customer satisfaction that are more difficult to measure, and that states the timing for benefit realization can help continue this focus. Levin and Green (2010) suggest defining each benefit in the plan and linking the benefit to the program’s outcome to demonstrate the value of the program in terms of the benefits that will be realized. Interviews with stakeholders, brainstorming sessions, and even review meetings are useful tools to identify benefits. Once they are identified, procedures to ensure the benefits are being realized as planned should be listed to measure the program’s benefits. Levin and Green explain that suggested metrics can include: planned realization date versus actual time, the extent of the benefits realized versus those planned initially in the business case, the impact of the realized benefit on other projects in the program, the need to change the benefits as the program progresses, the value of the benefit when it is realized, the extent of the sustainment of the benefit after the program is complete, and other benefits realized that were not identified. They also note the necessity in the plan of stating roles and responsibilities for benefit realization and management; recognizing benefits are why the program was initiated in the first place; using tools such as a Resource Assignment Matrix or a Responsible, Accountable, Consult, and Inform chart, to show the responsible team member and the others who have roles to perform. The plan as well requires a communications section describing the methods to ensure stakeholders have the information they require regarding benefits, planned benefit review sections to be held at key points in the life cycle, and when benefit reports will be prepared and distributed. Recognizing that in most programs benefits will be realized at different times, a benefits delivery schedule should be stated in the plan as well as in the program roadmap. This schedule ideally can be set up to show the benefits from each project in the program and their interdependencies. Risks to benefit realization and any required changes to existing processes and systems are two other sections in this plan, along with noting how the benefits will be transitioned into ongoing operations and sustained. As Levin and Green explain, “it is important to ensure that the transition activities provide for continued management of the benefits within the customer organization as appropriate . . . benefits management transcends the program life cycle (2010, p. 36).

PMI (2012b) in an in-depth look at benefits realization in a survey conducted in April, found that “80 percent of organizations with a highly mature benefits realizations process reported they met their original goals and business intent” (p. 17).

Diverse Stakeholders in Different Locations

Programs may be large or small undertakings of varying degrees of complexity. Often organizations that may have been competitors in the past instead are collaborating through partnerships, clusters, and consortiums to pursue ventures by pooling resources they had not considered on their own. Such an approach is especially beneficial when stakeholders are located in different locations, and a best practice to follow is to work as a united team with the customer with a single program manager.

Regardless of the program level, there are a greater number of stakeholders considering people who may have an interest; for example, in only one or two different projects or at different phases in the program life cycle. The program manager must be an excellent communicator, and PMI states communications is the key competency (PMI, 2008c). It is essential then to sincerely respect the views of the stakeholders and their key concerns and communicate proactively, and to often emphasize the need for change and the benefits that will result because of the program. If it seems the requirements of some stakeholders may not be met, even though the program manager is actively working with these stakeholders, a log of these requirements and why they cannot be attained should be maintained. One approach to follow with all involved stakeholders is to keep them apprised of the program's progress in meeting both tangible and intangible benefits as well as meeting deliverables and completing individual projects. A policy of 'no surprises' and open communications should be the norm, with consistent messages delivered in a timely way to avoid erroneous information (Levin, 2010).

The program manager also serves as the leader, the second most important competency (PMI, 2008c). As the leader, the program manager works actively with customers and strives to resolve any concerns or issues as quickly and effectively as possible to create solutions that can be viewed as a 'win-win' for both the customer and the team. Hopefully, as the leader, the program manager can see greater opportunities and benefits for the customers than outlined at the start of the program as the interpersonal relationships and degree of mutual trust increase. Active communications, perhaps even daily or several times each week, may be needed to inform customers of program progress and build a sustaining relationship.

Even after the program is complete, reaching out to the customers can help mitigate any negative repercussions or uncertainty with the sustainment of the program's benefits as they translate into day-to-day operations and new ways of working. Through these contacts, the program manager shows the customer relationship is not a one-time event but instead is long lasting, because the program manager can anticipate future changes that will benefit the customer and broaden business opportunities.

Interdependencies among Projects in the Program

Projects are part of programs only if they share interdependencies in some way with the other projects or operational activities that are in the program. They should not be part of the program if they represent work under way for a common customer, use the same supplier, or require the same types of resources. The objective is to ensure through a program there are greater benefits that can be attained rather than managing the projects separately.

However, since the program manager expects changes throughout the program, especially if business strategies change, he or she must consider preparing a business case to add a new project to the program. Similarly, during a project review or a review of the overall program, it may be necessary to terminate an existing project if its deliverables no longer meet the organization's strategies. Such terminations are common on long programs, but the danger in terminating a project, is that it may have a key interdependency with other projects in the program, meaning the program manager requires a roadmap or similar technique to show these interdependencies, even if they occur in the future to see the ramifications of the termination. The program manager also requires communication competencies to explain to the project manager and his or her team why the project is being terminated so they do not think it was their fault and instead was terminated because of strategic changes outside of the project manager's control. Hopefully, if such terminations occur, the people involved can be reallocated to other projects in the program or to a new project if one is added to smooth the transition.

Internal and External Constraints

PMI defines a constraint as: “The state, quality, or sense of being restricted to a given course of action” (PMI, 2008a, p. 421). Given the complexity of many programs, both internal constraints and external constraints are common, and each constraint in essence is an imposed change. For example, assume the financial management group, strategic planners, and the Enterprise Portfolio Management Office staff members are working together to determine how best to allocate the available funds among existing programs and projects as well as new programs and projects in the pipeline. Since it is rare for a program to receive all of its needed funds at the beginning, a program manager easily can find the expected funding for the next fiscal year has been reduced significantly. To maintain the schedule, he or she must find a way to reallocate resources to continue the program so it meets its schedule for benefit realization.

External constraints also are common on programs especially those in which key stakeholders represent consumer or other special interest groups and are ones that the program team has already classified as “negative” stakeholders but ones that have the ability to influence the program adversely, causing a major change by imposing constraints. For example, on programs involving regulatory agencies, a consumer advocacy group could cause the agency to impose a new regulation. While it takes time for overall approval, if the regulation is issued, it could adversely impact the program. This regulation may mean the program requires re-planning, the need for additional resources, or the need for new technology. Regardless, it is a change for the program manager to handle and to somehow show some positive opportunities once it is incorporated into the program’s plans.

Competing Priorities within the Program and in the Organization

Each program is set up to deliver more benefits than if the projects within them were managed in a standalone way. However, benefits result in change, and programs and projects have competing priorities for resources in the organization. Program managers obviously want their program to remain high on the organization’s priority list, and therefore, must continually assess risks as possible threats and develop alternatives should they occur to best turn these threats into possible opportunities for the program, thereby examining opportunities to exploit them. Such an approach requires strong leadership from the program manager to demonstrate a willingness to change direction when it makes sense to do so and then to form a coalition not only with the project managers and the program team but also with the other key stakeholders and the customers to support the change.

Continually Linking the Program’s Objectives with those of the Organization

Given the continual changes that affect each organization, program managers must work with strategic planners and the portfolio staff to constantly ensure the program’s goals and objectives support those of the organization. A best practice is to work with these staff members from the beginning and promote honest discussions so everyone is focused on critical thinking as to what is happening in the marketplace and how it affects the program, showing these staff members the program manager is open to changes in his or her program to best support the organization and the customers.

The Need to Change the Culture to One that Exploits and Embraces Change

Everyone Tends to Resist Change

It is natural to resist change, and by doing so, it leads to increased tension and stress and reduced productivity. Often people think once the program ends, they may no longer have a position, which leads to poor team morale and a natural tendency to delay program completion and closure. One negative or dissatisfied team member can cause anxiety among others on the team, and key team members may decide to leave early to avoid the poor morale. They may feel their own well-being is not appreciated by the program manager, the program sponsor, and members of the Governance Board. Program managers then must be outstanding motivators for their team and other key stakeholders (Levin, 2010).

The Program Manager Must Serve as a Change Agent

As a change agent, the program manager continually needs to articulate the vision of the program at each meeting to make sure it remains in alignment and supports the organization's changing strategic goals and objectives. In addition, he or she must be assertive in working with stakeholders and persistent, since many programs occur for transformational initiatives internal to the organization or for its customers. This means program managers not only must be excellent communicators but also must have and use good listening skills and must mentor team members and other stakeholders, especially the customers, users, or product or service support organization that will receive the product or service and their benefits once the program ends and ensure they are sustained (Levin, 2010).

Facilitating an Environment that is Conducive to Change

The time is now for program management. As programs can vary from large or small initiatives, they all involve change and a focus on benefit realization. They can be focused on internal efforts such as to improve the overall maturity in portfolio, program, or project management or to set up an Enterprise Program Management Office, to the building of the next generation missile system or railroad. Program managers are in demand by organizations of all types — public and private, profit and non-profit. The right people, however, need to be matched to the right programs, and those who are considered effective change agents typically are the ones who are selected for the most important programs in the organization.

The U.S. Government Accountability Office (GAO) conducted a survey in 2005 (discussed in a report in 2007) based on the U.S. Department of Defense's (DoD) long-established program management practices to determine its level of program management performance maturity to deliver the intended benefits from the funding it received. This study compared best practices in program management in large organizations with those of the DoD. Nine environmental factors from the companies surveyed were considered as essential ones for program management success and are as follows:

1. Use investment strategies
2. Use evolutionary development
3. Match requirements to resources
4. Match the right people to the program
5. Use knowledge-driven development decisions
6. Empower program managers
7. Demand accountability
8. Require tenure
9. Continue senior leadership support

The emphasis on empowerment and matching the right people to the program shows the need to emphasize personal and performance competencies to be able to manage change and complexity. Some key areas are noted in this paper.

Monitoring Internal and External Factors for Their Effects on the Program

Each organization is unique in its vision and mission and strategic priorities to attain them. However, each organization also is complex. Program managers require an understanding of the complexities that affect the complexity on their programs and in their organization, considering internal and external factors and the unknown variables that are inherent in each program. The program manager must stay attuned to these factors, monitor them, and assess their impact to the program, both negative and positive ones.

Thinking Critically to be Able to Immediately React to Changes that Do Occur

Patankul and Milosevic (2009) discuss several competencies one should possess in leading multiple projects and emphasize in their work having an innovative thinking style, minimizing the time required to change direction and focus on another project, and simultaneously leading multiple teams. Their study involves the management of a number of multiple projects in which projects are grouped for greater managerial efficiencies but also lead to

stronger interdependencies when they are managed by the same person. They further describe internal traits such as being well organized, disciplined, proactive, mature, and having self control to contribute to the ability to interface with diverse stakeholders at all levels.

Their work supports that of Levin and Ward (2011) as they emphasize the importance of thinking critically as one of the eight personal competencies of a program manager. “A critical thinker is one who has the ability to identify the important questions to ask and problems to solve in a way that defines them clearly” (p. 28). As a critical thinker, the program manager has the ability to think openly and is not influenced by the thoughts of others enabling him or her to identify assumptions, constraints, and the implications and consequences of their decisions. Through critical thinking, there is a greater likelihood of better overall program results with more insightful analyses of the problems and opportunities as they occur. Levin and Ward further explain that given the nature of interdependencies in a program, having the ability to think critically enables the program manager to best integrate the benefits from the projects in the program to the organization’s strategic goals and objectives and to coordinate the work under way. In their competency model, critical thinking is noted by the ability to:

- Conduct ongoing analyses to identify trends, variances, and costs through analyses of program metrics regularly; scanning the program’s environment to note trends events and forecasting them in advance to be prepared to respond to associated changes; and monitoring stakeholder attitudes to ensure their continued support and prevent as much as possible any negative influences
- Applying fact-based decision making to current and prospective issues by gathering relevant facts and information, developing alternative approaches for consideration, and making decisions based on the available facts
- Working proactively with members of the Governance Board by establishing clear rules for decision-making authority and when escalation is needed, establishing a process to escalate issues when required, and empowering project managers and team members to make decisions within their purview
- Constructively challenging current beliefs and assumptions as the program manager seeks a ‘better way’ by engaging others in discussions on current practices, assumptions, and constraints; encouraging innovative and creative thinking among the team and stakeholders by soliciting views in a variety of ways; and focusing on methods to produce better results to improve customer satisfaction (pp 83–86).

Building Relationships and Trust to Help Implement Changes

With the large size of many programs and because many are long in duration, it is rare for the same team members to remain with the program from the beginning until the closing phase. As well, subject matter experts will be needed on many programs for short time periods. Stakeholder identification and expectation management will be ongoing, and different people probably will be involved as members of the Governance Board. The program manager facilitates such a changing environment in terms of relationships by building swift trust, defined by Meyerson, Weick, and Kramer as trust that is “conferred presumably or ex ante” (1996, p. 177). It is essential to meet program goals in a changing environment. Such an approach is difficult, especially if one has never worked with others on the team before, with the key stakeholders, and the customer. One best practice is to assume trust in others from the start unless proven otherwise to best facilitate collaborative and cooperative behavior and to communicate defined values by which decisions will be made (Levin, 2010).

Guidelines for Success

Changing the focus to exploit and embrace change is a difficult process, along with then leading the change initiatives and communicating their importance to the team and the stakeholders. This section suggests five best practices to consider to enhance one’s ability to successfully use change to one’s advantage by focusing on personal competencies in this area. Competence as defined by PMI means: “A cluster of related knowledge, attitudes, skills, and other characteristics that affects a major part of one’s job (i.e., one or more key roles or responsibilities),

correlates with performance on the job, can be measured against well-accepted standards, and can be improved by means of training and development” (PMI, 2007, p. 73).

Assessing Your Own Strengths in Change Management as a Program Manager or as a Prospective Program Manager

Recognize that your organization’s challenges affect those of your program and your reaction to them. First, assess your own strengths in change management. Consider the elements in the personal competency in the Levin and Ward model on embracing change (2011, pp 94–96.)

- Focus on how well you can establish an environment that is conducive to change and consider your ability to:
 - Recognize and promote change in the organization that is introduced by the program
 - Recognize the specific life cycle in the program that is most likely to result in change
 - Promote a positive approach to change
- Influence those factors that may result in change
 - Identify as early as possible factors that could lead to changes during the life cycle
 - Recognize when it may be necessary to add a change management expert to be a member of your team or on the Governance Board
- Plan for changes on the program and their potential impact
 - Prepare a change management plan
 - Minimize adverse impacts of changes by adapting to them in the environment
 - Use a program knowledge repository and include in it a section on changes
- Manage changes as they occur
 - Establish and use an integrated change control system
 - When the change does occur, demonstrate flexibility in responding to it
 - Assess the interdependencies as a result of the change

In using such a model, recognize there is no pass/fail involved, and you are using it as you want to in order to improve your own abilities as a program manager.

Determining Opportunities for Improvement

As you assess your own strengths, then also concentrate on areas in which you feel you can improve. As you see these areas, focus on ways in which you can promote improvements such as taking training classes; working with a mentor; joining communities of practice; asking for feedback from your team, sponsor, and customer (if appropriate); using surveys to solicit feedback with assistance from a neutral party such as the Enterprise Program Management Office; and testing out alternative approaches with peers when time permits.

Establishing a Competency Baseline

Next, use your assessments to set a competency baseline, recognizing your strengths as well as your areas of improvement so you can then set some metrics to see how you are doing in each area. You may also see areas of strengths you can impart to other program managers or prospective program managers especially through communities of practice. If such a model is used for program managers throughout the organization, each individual’s competency baseline then can be used in assigning program managers to lead new programs.

Performing Periodic Assessments to See Improvements with a Competency Development Plan

Periodically perform another assessment according to a competency development plan that you prepare. It is not to be considered a one-time effort but instead is a way to continually assess how you are doing, so consider re-assessing perhaps every six months. The reassessment time schedule should be part of a competency development plan or action plan, because not everything can be done at once. Set priorities by concentrating on some quick wins as well as areas in which you feel you definitely need improvement using the quick wins to build momentum. As

Levin and Ward explain, “with improved competencies, overall performance should improve, therein reducing stress in the complexity of leading a program and reducing the need to be a hero in order to deliver the program’s benefits . . . No doubt job satisfaction should improve as well” (2011, p. 104).

Emphasizing Continuous Improvement

Recognize that process improvement at any level is difficult at best, especially when it involves one’s own areas. It also is something that does not immediately occur and requires time and initiative to sustain it and remain focused on it. It also requires support from colleagues at various levels. One approach is to openly share your own plan with peers, your manager, and possibly your team. This approach enables you to then ask people how they feel you are improving and for them to be a sounding board as you do focus on improvements. Actively listen to their suggestions. It also shows your team you are taking improvements seriously and may encourage them to do the same and assess their own competencies. We are past the time of ‘business as usual’ and no longer can get by without continual improvements. Competent people are capable people desired by the organization for the complex and exciting programs and projects.

Summary and Conclusions

Kotter (1995) notes that change is implemented or sticks when it is embedded into the daily work of the professionals in the organization. He explains new behaviors must be rooted into social norms and shared values. For best results, the pressure for change is removed. Bourne (2012) expands on this concept as she states: “Overcoming the challenge of an entrenched culture requires powerful leadership, credibility and a clear message that identifies the reason for the change. Change leaders first must attain a general acceptance that the current status quo is not working well for the majority” (2012, p. 26).

The program manager is the ideal person to introduce change through the program and its projects, serving as a change agent with the competencies to both embrace and exploit change.

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