BEST-IN-CLASS PROGRAM MANAGEMENT

BY V. RAMKUMAR,
IBS RESEARCH THOUGHT LEADER
Good program management delivers: Early realisation of benefits; institutionalised framework; Engaged organisation. Unfortunately, there are no magic pills, nor is this an area that banks can afford to ignore. After all, there are projects that are always ongoing, and each one of them has a cost and a benefit embedded. So what are the five key tenets of a successful program management framework?

1. **Governance structure**

Setting the tone for executive sponsorship, and establishing the stakes of all key players, is the name of the game. After all, what is important to my boss is important to me. And if the criticality of the program is not demonstrated via the visible participation of key stakeholders, the execution team is more likely to be consumed by Business-as-Usual (BAU). The result? The new initiative becomes an orphaned child.

Establishing the Executive/Steering committee with the sponsorship of the CEO, and a working group model that engages key stakeholders at an operational level, are imperatives for success. Having the right people in place, assigning the right roles and defining the KPIs around it, are all integral parts of the governance structure. Having the charter built around the structure, with pre-defined reporting templates, the RACI (Responsible – Accountable – Consulted – Informed) matrix and the escalation structure upfront in the program, is critical.

2. **Detailed planning**

To quote Benjamin Franklin, when you fail to plan, you plan to fail. The plan needs to operate at two distinct levels:

A low-level plan drawn on a project management application such as an MS project that helps articulate in detail all the activities, tasks and steps, the inter-dependencies, the timelines and the resources. A typical core banking program, for instance, carries about 3,000+ line items.

A high-level plan that defines the top 20-25 activities of the program on a single sheet of paper, both the major and minor milestones and the timelines at a strategic level. This is an extremely important document that gives the management team a bird’s eye view, without having to seek a needle in a haystack.

A word of caution here. Defining the plan in itself is only a job half done.

OVER 60% OF TECHNOLOGY TRANSFORMATION PROJECTS REPORTEDLY FAIL TO MEET BUDGETS OR TIMELINES, AND THAT CAN LEAD TO FRUSTRATIONS, AND POSSIBLY COST A FEW JOBS. KEY HERE IS EXECUTION EXCELLENCE. NO MATTER HOW INNOVATIVE AN IDEA, OR HOW GOOD A PRODUCT OR ITS SUPPLIER, TIMELY AND EFFECTIVE DELIVERY OF TECHNOLOGY PROJECTS ARE HIGHLY DEPENDENT ON HOW WELL THE PROGRAM MANAGEMENT OFFICE (PMO) GOES ABOUT ITS JOB
Having it socialised, and “owned” by all stakeholders, is an integral part of the process.

3. Measurement rigour

What gets measured, gets managed. An area where good program managers succeed - and that makes all the difference - is in rigour of measurement. Measuring progress against timelines, quality, budget and impact are all equally important and critical for timely action and course correction where required.

Measurement is not necessarily a “post-facto” report on an activity delayed. Effective program management is all about reporting lead measures that can help alert a potential delay in timely fashion. A natural corollary to this is the identification and reporting of risk - and categorising it based on the criticality and the impact, gravitating the attention of the management team to the right issue at the right time.

A framework such as the Balanced Scorecard can ensure the measures are holistic in their coverage, and also driven around 15-20 program objectives that best explain the target outcome. That being said, the key to success here is not just having the right measures or framework, but the rigour and discipline in ensuring they are monitored and reported in a timely manner.

4. Change management

Operation successful, but patient dead. That's the story of programs that meet timeline and budget goals, but fail to carry people along. A disengaged user is like a termite in a wardrobe. The solution? A proactive, effective and disciplined approach by the PMO function to change management. Of course, having the users well oriented and trained on the new platform and the new embedded processes is key. But you must also drive home the top 10 benefits that the change is bringing to the bank, to its customers, and each person in his/her own area. Shying away from highlighting the downsides of the status quo and the risks of creaking technology will not help. And sometimes it's about reinforcing the message, so it permeates across the bank.

5. Value realisation

It is quite easy to miss the wood for the trees, when the PMO gets entangled in tracking a dozen parallel activities, dealing with 20 different stakeholders and hundreds of project resources on a day to day basis.

There are two parallel approaches to dealing with the challenge of value realisation:

Have a series of major and minor milestones embedded in the program, and drive a culture of celebrating those achieved. This is not just to create a positive environment at the project
office, but also an effective means to let the larger organisation know that the program is progressing well.

A practice of broadcasting the larger value that the bank is likely to realise through the program can be quite helpful. It keeps the focus on the larger goal, and also reduces the risk of distraction.

The tenets for program management also help set the priorities. I remember speaking to a bank many years ago, where there was a "department" for core banking transformation projects. It was almost an announcement that the transformation program was going to run forever, and unsurprisingly it did! Dragging the programs beyond their stated timelines can be somewhat like a pill that's well past its expiry date. Consumption may not only be ineffective in addressing the pain, it may sometimes be fatal too. Repeated reminders of the primary purpose of the program, and

---

**About IBS Intelligence**

Established in 1991, IBS Intelligence is the definitive source of independent news, analysis & research relating to global financial technology markets. IBS has an integrated offering including a comprehensive research portfolio, and a range of value added services. Its iconic monthly publication - IBS Journal - is recognized worldwide. IBS Intelligence is now a division of Cedar Management Consulting International LLC, a leading global management and technology consulting firm. The firm, with its research and consulting expertise has worked with over 1000 clients globally.

For more information, please visit www.ibsintelligence.com or email us at info@ibsintelligence.com

Copyright © 2016 IBS Intelligence | All rights reserved.