

# Stepping up to deliver commercial success

Why Program Management must re-imagine its traditional approach

January 2022



# At a glance

**History shows most strategic programs fail to achieve their commercial objectives.**

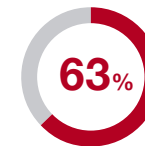
**We've spent the last 30 years putting programs back on track. In nearly every case, people involved have the right attitude, but are let down by programs that are organised to fail due to:**

- Lack of alignment between the executive team and the people carrying out the work
- Unrealistic objectives and plans
- Poor supplier management with an "us and them" attitude
- Lack of confidence in other people and functions working interdependently

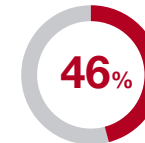
Now, we have research-based evidence which precisely measures the impact of these behavioural factors on program performance.

This is a breakthrough for anyone involved in successful program execution.

For the first time, it's possible to use scientific analysis to know where and how to fix program problems.



felt "there are gaps in the program organisation"



of respondents felt their program didn't have an effective executive sponsor



of people involved thought there was either no realistic plan in place or were unaware/indifferent to the plan

More importantly, we can use the findings to predict and prevent program failure before it takes place.

**The results make for fascinating reading...**

# The time is now

**We're living in disruptive but exciting times.**

**The pace of technological change is accelerating – and the opportunities available to businesses keeping pace are immense and expanding every day.**

5G, the rise of edge computing, take up of cloud services, increasing penetration of the Internet of Things (IoT) and adoption of blockchain are just some of the innovations in the news today.

These new technologies enable new business solutions, new processes, new opportunities and spark cultural change.

McKinsey argue the pandemic has accelerated this digital transformation of business processes, cultures, and customer experiences by three to four years.

Smart, tech-savvy firms who embrace the potential benefits technology can provide, will bring truly market-changing products and services to the world, enhancing the way we all live, work and play- something the most recently successful businesses in the world have already demonstrated.

Opportunities abound for companies pivoting their businesses to the needs of their customers and employees – provided they can deliver their strategic transformation programs faster - and better - than their competitors.

This requires effective Program Management. But history shows most programs misfire and fall short.

It's time for Program Management to step up and change the paradigm.

In this insight guide, using new data and our own experience, drawn from over 30 years working on complex programs, we make the case for a radical new approach to delivering program success.







# Business leaders are facing a barrage of challenges

**Companies need to make the right strategic calls to decide their key areas of focus. Success relies on an organisations' ability to anticipate, accelerate, and adapt to a digital world using agile techniques.**

Here are some of the key considerations impacting the effectiveness of Program Management in delivering strategic transformation programs.

## **The political and economic agenda**

The UK Government is piling on the political and economic pressure on companies to deliver technology rollouts, such as 5G and rural connectivity within challenging timelines. These underpin government policy for post-Brexit growth and the need for “levelling up”.

There is no wiggle room. There are Government imposed timescales set for delivery of strategic programs, with the imposition of severe penalties for failure.

## **Skills and resources are in short supply, costs are increasing**

We're witnessing skills shortages across many sectors and industries. A recent KPMG survey stated that demand for workers rose at its fastest rate for more than 23 years, primarily affecting IT, computing and hospitality.

At the same time higher energy costs and scarcity of resources, such as computer chips is affecting companies' ability to deliver products and services, as well as driving up prices.

## **Customers expect companies to “behave”**

Consumers and businesses expect companies to behave responsibly, embrace the green agenda, as well as demonstrate good corporate citizen credentials. With constant scrutiny in social media, company leaders can ill afford to fall foul of the wrath of customers and drive them to a competitor.

# Groundhog Day

**Strong leadership, coupled with effective Program Management can deliver strategic programs.**

**Yet CEOs often only react when something monumental has gone wrong. So, in most cases, it's about recovery. The damage has been done. And the damage is usually considerable.**

Deloitte estimate the average cost overrun of a strategic development project results in a 46% increase, with 63% running late or cancelled. McKinsey put rate of failure events higher at 75%. We've seen other reputable surveys put the number as high as 90%.

In an interview with CIO.com, Aptage's CEO John Heintz describes these reactive mindsets and optimistic timescales as "hope-based planning". Organisations downplay risks and take an over-optimistic view of a program timetable.

In an effort to counter these delays and cancellations, accredited methodologies such as PMBOK and Prince2, "cure all" program management systems such as Oracle's Primavera, EcoSys and the use of AI, have all been hailed as the answer.

Yet we are still seeing programs fail.

**So, what is preventing program success?**





# The missing piece - the people factor

**To answer this, we took a deep dive into what we found when we put more than 100+ programs back on track.**

We discovered:

1. Programs rarely fail for technical reasons
2. No program had failed because they didn't follow accredited program methodologies

In every case there was one missing factor preventing program success. The people factor.

“

They failed to address the crucial element making the difference between winning and losing – the people factor...what people do, their motivations, how they're organised, how they interact, how they behave and the culture in which they operate”.

**David Hilliard CEO Mentor**

Ignoring the people factor means the focus is on adjusting processes and tinkering with organisational functionality in silos, rather than creating an open, collaborative environment, and only then looking at process improvement through the lens of this cross-functional culture.

Our firmly held view is this: The “people factor” needs to be openly acknowledged and measured.

When departments – and the people inside them - work together, the pace of innovation and change is accelerated, and this risk-averse culture of fear at senior levels is markedly reduced.

Strong leadership can then remove the fear felt by individuals, where it occurs, and create the culture needed for people to deliver program success.

But how do you know what precisely is affecting behaviour in programs within your firm?

**And pinpointing behavioural factors preventing program success has not been possible - until now.**



# The findings



# Measuring the human behavioural factor

**With the Mentor Execution Index (MEI)\*, we've developed a program assurance tool which calibrates the behaviour of a group of individuals and measures the cumulative impact they have on a program's success.**

It collects insights from across the program eco-system – the program team, the customer and from suppliers. It exposes what's happening below the surface and why – helping to drive successful program delivery based on facts and insights which are hard to challenge.

We have worked in collaboration with award-winning data scientists operating on the leading edge of these enabling technologies - for companies like Google, Amazon, Honda & Ford. Our tool combines the best of three worlds; our extensive industry experience, our deep understanding of program execution and behavioural science.

Since we've been using the MEI with our clients, the data has revealed new insights and trends into why programs have failure “designed-in” or have gone off-track.

We've collated these insights from the six critical factors in the MEI assessments to provide a richer perspective. Our experience emphatically demonstrates all six factors must be tightly managed for a strategic program to succeed.

*\*In collaboration with Predli AB*



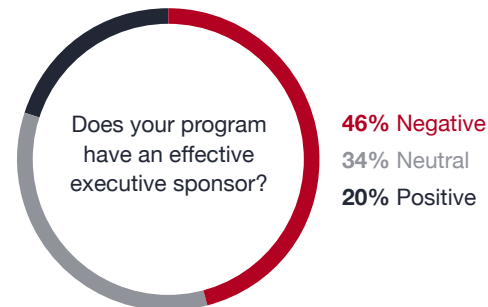




## Critical Factor #1

# Alignment

**Alignment gets more difficult the further you move away from the leadership team.**



It's generally acknowledged that the executive team needs to share and visibly promote a common view of change, for a program to succeed. They must visibly commit their organisations to deliver the change and set the right tone for everyone involved. If one or more executives don't share the vision, it will quickly hit choppy waters.

But it's not just at the executive or leadership level where alignment is needed.

Every program needs a strong program sponsor who personifies the passion and commitment felt by the leadership team. These people can inspire, motivate and focus everyone in the organisation around the objectives, strategy and rationale for the business transformation. They remove roadblocks preventing program success and are seen by those carrying out the work as the “go to” person for support and resources.

Leadership teams often think they have a “champion” sponsor at the top level, but our data shows this vital element is largely missing. This can create a lack of confidence bordering on indifference amongst those delivering the program if they don't see the sense of commitment and urgency in the executive team. If there is no one person clearly visible behind the program, this can feed the perception the executive team is not fully behind it.

The data also suggests alignment gets more difficult the further away you move from the leadership team. Our experience tells us there's often alignment amongst the executive team. Yet, our interpretation of the data shows clear evidence of an alignment disconnect between the leadership team and those carrying out the work.

## #1 Alignment

This comes down to effective leadership and good communication from the nominated executive sponsor. Assuming everyone is fully aligned throughout the program team is dangerous.

More work needs to be done to ensure the executive sponsor is clearly identifiable with the program, and they are actively engaged with all levels and stakeholders throughout its life. They and the Executive team need to work harder to ensure the objectives and strategy are clearly communicated and cascaded through all levels involved in program delivery and the program controls and systems are in place to ensure and maintain alignment.



Decision-making is seen by respondents to be cumbersome with - seemingly easy decisions - becoming over-complicated and taking too long.

This undermines confidence in the leadership team and adds to the frustration felt.

Our experience suggests this is linked to weak governance and lack of program leadership. In some cases, too many decisions are referred to the leadership team, when they could be made at a lower level, removing potential bottlenecks. This needs to be supported by clear accountabilities and assignment of responsibilities.

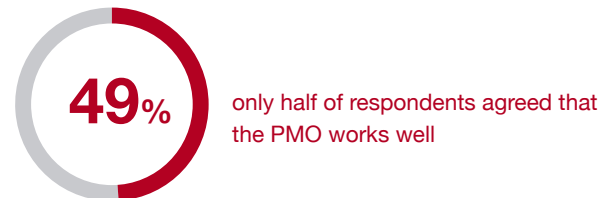


## Critical Factor #2

# Fit for purpose organisation

**Strategic programs are not “business as usual” and need an organisational structure which reflects this.**

The data indicates considerable concerns relating to how programs are organised and managed. This is due to a lack of clarity over roles and delineation of responsibilities – which could be driven by a lack of engagement from individuals in the organisational structure.



Each program requires a tailor-made team, a customised organisational model – and a dedicated plan to restore confidence in how the organisation is supporting its program portfolio.

Most organisations try to run their strategic programs using existing functional structures used to deliver “business as usual” - where the focus is on more predictable, repeatable scenarios. However, strategic programs are anything but business-as-usual.

To reduce this perception, organisations need a different approach. They should create specialist teams, focused on shared goals, able to deal with any eventuality - like using the SAS for a vital specific military mission, rather than the regular army. The skills, expertise and resources required for a strategic program may be missing if business-as-usual teams are deployed. This is also linked to poor planning in identifying appropriate skills, expertise and resources at the program planning stage.



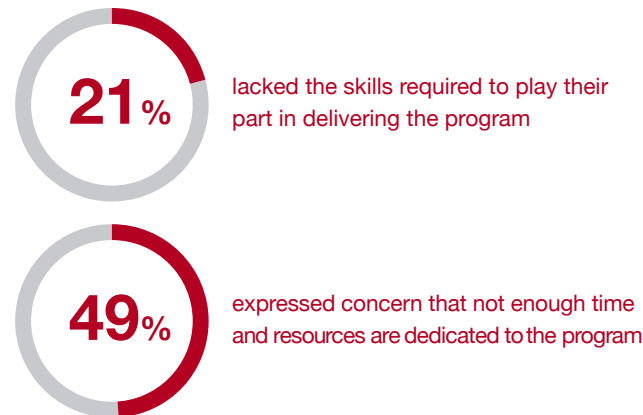
## #2 Fit for purpose organisation

Keeping the ‘business-as-usual’ approach means there will always be gaps in the organisation, as the wrong organisational model is being used to execute the strategic program. The more siloed, functional approach doesn’t allow for the effective cross functional “hand offs” needed for strategic programs – a problem compounded when the skills and expertise are missing.

More work needs to be done by the leadership team to explain the vital differences involved in delivering strategic programs, as well as clarifying the structure of the organisation behind the program and individual roles within it.

We can see from the data and our work with clients that one in five of the program teams involved do not believe they are equipped and suitably resourced with the right skills and tools to deliver success.

They are encouraged to “make do” with the tools and resources used to carry out their normal functional jobs, which may not be fit for purpose for the more specialist requirements involved in delivering strategic programs.



This relatively high skill gap can have a direct impact on program performance. The leadership team must identify these gaps and ensure the right tools, resources and training are delivered to those individuals and teams to carry out the work.

“

Organisations look at massive strategic projects and programs that are critical to their success, and they assume that their organisation can deliver them without the right people, with the right levels of experience and the right levels of knowledge. And I think that’s a massive gap in most organisations. Grown-up organisations realise where they’re strong and where they’re not”.

Jeff Dodds COO Virgin Media O2



### Critical Factor #3

## A plan that is deliverable

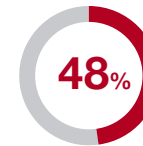
#### There's a lack of planning which compromises program success.

The program plan is made up of three interrelated plans – the Work, the Schedule and, the Budget. All should be complete, consistent and aligned with delivering the objectives of the program.

Our findings indicate a lack of conviction and confidence in the plans driving strategic programs. Without a clear plan, the work environment is likely to be somewhat chaotic and suffer with unproductive complexity.

These responses show real areas of concern around the teams' confidence in the plans, timescales and objectives – and the way the plans are structured and set up to achieve success. In any team activity, lack of belief in a gameplan will impact performance.

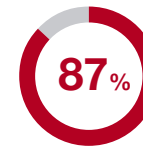
We're seeing a lack of belief in the plans across the teams to successfully deliver strategic programs. This bears out the "optimism bias" and "hope-based" planning highlighted earlier. These are more like "wish lists" or "targets" than plans.



do not believe the key milestone dates are realistic



of people involved felt there was either no realistic plan in place or were unaware/indifferent to the plan



identified things "missing from the plan"

Clear doubts are expressed about milestone integrity, planning gaps, missing activities and absence of contingency plans with clear triggers. This, in turn, undermines the seriousness that individuals and teams feel about the executive team's commitment to the program.

### #3 A plan which is deliverable

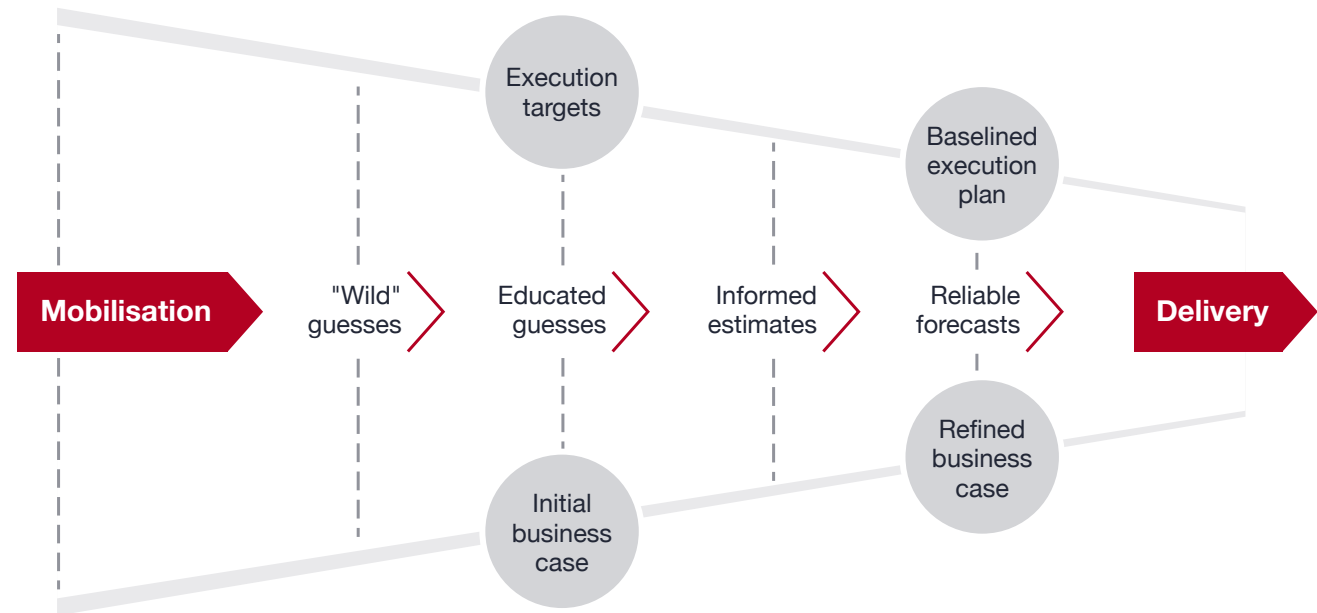
Our experience tells us this is usually down to targets and milestones being imposed top-down, with little buy-in from those responsible for their delivery.

The solution is down to strong, effective leadership and good collaboration at the outset of the program to agree a common set of timescales with those responsible for delivery.

These predicted timescales reflect a “point in time” - with wild guesses starting the process. The accuracy of these predicted timescales and milestones will improve as the program moves from initial planning through to execution. The executive team need to constantly review these with the implementation team using the latest data and information to refine and more accurately forecast milestones and targets.

Communication of these refinements to the wider organisation is vital to manage expectations as the program develops.

#### Predicted timescales and milestones will improve as the program progresses





## Critical Factor #4

# Effective supplier management

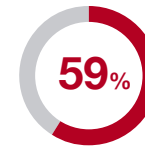
**Suppliers are regarded as “external” rather than a natural extension of the program team.**

Most programs are built on the success of at least one major supplier or partner. Choosing the right suppliers and having a strong working relationship is vital to a program's success. This means treating them as an integral part of the team.

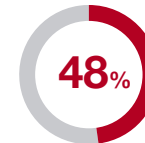
There's a lack of both visibility and confidence in the ability of suppliers to deliver to the program. This could reflect poor performance on the part of suppliers. However, our own experience and the data is presenting a more complex scenario.

Our interpretation of the data shows suppliers are seen as “external” to the program, rather than an integral part of the delivery process, and thus alienated from the rest of the program team.

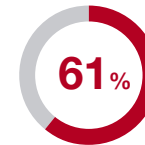
We've witnessed what happens when supplier's plans are not well integrated with the core program: Suppliers are not made aware of KPIs, dependencies and expectations, factors vital to the program's success.



felt supplier teams were badly managed and lacked the right skill levels and resources



had any visibility of supplier performance



commented that supplier plans were not fully integrated with the main program plan

## #4 Effective supplier management

Overall, more transparency is required on supplier selection and their contribution to the program. The high percentage of respondents who felt supplier plans are not integrated, indicates which companies do not do enough to integrate supplier workstreams with the main program. In our experience, suppliers can be blamed for issues relating to program performance. Issues which are often caused by poor management from the client organisation.

The leadership team should signal by their behaviour the crucial role suppliers have - being part of the program team by the way they interact with their peers in the supplier organisation.

This needs to be supported with joint business plans and total transparency between management and suppliers to eliminate timewasting and unproductive bureaucracy.



## Critical Factor #5

# Working interdependencies

### Weak governance and dependency processes compromise task delivery and accountability.

No business-critical program can be delivered in isolation. It relies on work packages – or dependencies – delivered by different projects from within the program, from other programs, and from other functions within the business – including external hardware and software vendors.

These results point to concerns over the governance and processes put in place to ensure people and functions in the organisation deliver what they are tasked with. This lies at the heart of successful program delivery and is often found wanting.

This can cause a huge amount of frustration within inter-dependent teams, as well as providing reasons for not being able to deliver.

A rigorous governance structure with all actions and dependencies should be published and accessible to the entire program team. There needs to be regular progress reviews at which individuals are held accountable. The leadership reviews should be fed by a program review structure from all the contributing departments.

47%

felt internal dependencies are not formally documented and agreed by all parties

59%

were unable to understand, escalate and resolve internal dependency issues



## Critical Factor #6

# Collaborative culture

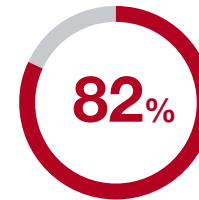
### Creating a collaborative culture is just the beginning.

Our experience, and the findings mentioned here, indicated that passion, trust and co-operation are relatively high within program teams. This is a great indicator of the potential for an open, agile and collaborative environment to exist. But is this enough?

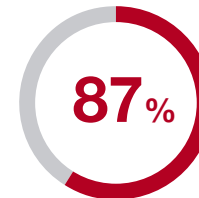
What must program teams – and their leaders - do to ensure they are aligned for success?

A dynamic and collaborative culture combined with shared goals is key to delivering program success. You need all the other elements vital to program success (outlined in points 1-5 above) for people involved to feel they can effectively contribute.

The traits expressed above are a great start. Deeper analysis suggests teams within functions have good relationships. Friction tends to occur across functional boundaries.



could trust their program colleagues



of people were generally engaged and passionate about the program they were involved with

## #6 Collaborative culture

With strategic programs, embedding the right culture requires the people involved to trust each other across all areas of the program execution team, not just in the functional teams. Scores from the previous 5 critical factors suggests this is lacking.

Taken as a whole, these results show an absence of alignment. Those involved in executing the program feel disconnected from the leadership team and the plans and processes. This is often compounded by people acting defensively due to a lack of transparency and fear of being blamed for any delays.

Accountability relies on trust. People need to feel they can be honest and open when reporting progress, rather than telling senior people what they want to hear.

Simply having a collaborative culture is not enough.

Creating the right culture for success depends on getting all the other 5 critical factors in place so people can feel confident their voice will be heard and on them fully understanding their role...wherever they sit in the organisation.



# Successful program management requires strong leadership to deliver success

**Generally, people involved in programs have the right attitude, but are let down by how the organisation is set up, unrealistic plans, poor supplier management and a lack of confidence in other people and functions working interdependently.**

The Mentor Execution Index can provide businesses with the ability to shine a light on their specific issues that will cause execution difficulties, if they're not tackled.

It does this by identifying inherent, or upstream risks – and residual, or downstream risks on any program.

If you would like to see how your program organisation measures up, please get in touch.





# Request a demo

**Make sure your program measures up for success.**

**Book a demo and we'll demonstrate how the Mentor Execution Index can show you what's really going under the surface of your program.**

**[enquiries@mentoreurope.com](mailto:enquiries@mentoreurope.com).**

## Why Mentor

Mentor has three solid decades of experience in running difficult, business-critical programs in the UK and European telecoms markets. Breaking new ground by helping to create some of the first wave of Alt.net deployments, Mentor has worked behind the scenes with most of the UK's infrastructure players.

With our strong industry relationships and independence – combined with deep design, operational and commercial experience – we will work with you and your team to provide the people, resources and expertise to get your business-critical program over the line – with certainty.

We call it the Mentor Way.

**Results. Guaranteed.**



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