Program Management in the industry

Alicia Medina

Business Consultant

University Lecturer

M.Sc. Math & CS

B.Sc. Psy

Ph.D. Candidate Strategy, Project, Programme Management

alicia.medina@quini.se

Purpose of the session

- Share my experience

- Give an opportunity to talk over thoughts and to ask questions regarding program management in practice

- Contribute to better understanding regarding program management

Agenda

1. Presentation IKEA
2. Organization and its Challenges
3. Project Types
4. Project Methodology
5. Project Triggers
6. Project Organization
7. Project Governance
8. Case
9. Summary

Project Management Institute
Capítulo Montevideo

IKEA

What is IKEA?

- privately held, international home products company
- the world's largest furniture retailer
- founded 1943 in Sweden by Ingvar Kamprad
- 127,000 employees (2010)
- as of October 2011, IKEA has 332 stores in thirty-eight countries
- revenue 2010 – € 23.5 billion
- the world's third-largest consumer of wood

IKEA

"At IKEA our vision is to create a better everyday life for the many people. Our business idea supports this vision by offering a wide range of well-designed, functional home furnishing products at prices so low that as many people as possible will be able to afford them."

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IKEA Retail & Communication

The challenge

- Balanced Matrix organization
- Global
- Complex projects and organizational set up
- Large number of stakeholders
- Different degree of maturity in the functional areas

How to cope with It

- Solid Project Governance model
- Business Case driven project prioritization
- Change management function in each project

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What is a Program?

A program is *a group of related projects managed in a coordinated way to obtain benefits and control not available from managing them individually.* Programs may include elements of related work (e.g. ongoing operations) outside the scope of the discrete projects in a program.

Programs and projects deliver benefits to organizations by enhancing current or developing new capabilities for the organization to use.

The Standard for Program Management ISBN: 1-930699-54-9

Project versus Program

Project	Program
Projects have a narrow scope with specific deliverables.	Programs have a wide scope that may have to change to meet with the benefit expectations of the organisation.
The project manager tries to keep a change to the minimum.	Program managers have to expect change and even embrace it.
Succeproducts ss is measured by budget, on time, and delivered to specification.	Success is measured in terms of Return On Investment (ROI), new capabilities, and benefit delivery.
Leadership style focus on task delivery and directive in order to meet the success criteria.	Leadership style focuses on managing relationships, and conflict resolution. Program manager's need to facilitate and manage the political aspects of the Stakeholder Management.
Project managers manage technicians, specialists etc.	Program managers manage project managers.
Project managers are team players who motivate using their knowledge and skills.	Program managers are leaders providing vision and leadership.
Project managers conduct detailed planning to manage the delivery of products of the project.	Program managers create high-level plans providing guidance to projects where detailed plans are created.
Project managers monitor and control tasks of the work of producing the project products.	Program managers monitor projects and ongoing work through governance structures.

NOTE: Taken from "The Standard for Program Management", ISBN: 1-930699-54-9

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Projects types IKEA

- IKEA Catalog

- New Store

- Product

- Planning tool

- New performance Management Process

- New sales steering Process

- Purchasing of training

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Project Methodology IKEA

Project with IT components and IT projects

- PPS (Practical Project Steering from Tieto Enator) www.tieto.com

- Business case driven (GPA)

- Own Pre-study methodology

- Scrum

- Change Management Model

Business Projects

- Change Management Model

- Toll Gate and Stakeholder driven methodology

- Best Practice➡Concept

- Purchase Methodology

- Task force

IKEA has adopted and developed the ***Four Step Model for Change Management Projects*** which in short can be described as focusing on organizational, group and individual level through four phases:

- Awareness
- Interest
- Trial
- Adoption

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Business Case (opportunity or cost saving)

Gap (from the strategy)

Need (new situations)

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Project Organization IKEA

Does IKEA have one type of project organization and governance for all the projects?

- Catalog

- New Store

- Purchase of training

- Planning Tool

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Project Governance and control IKEA

- Stakeholder oriented

- Steering group

- Control by Budget

- Project Master Plan per Unit

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IKEA Case
Web 2.0

Program vision

The IKEA.com 2.0 Program will leverage the full potential of the IKEA.com strategy through a coordinated, innovative and efficient execution

Program set up

The initiatives will be grouped and managed in streams

Scope and budget

The scope and budget of the program are composed of:

- New solution development
- Current solution development
- Development of demands founded with "non media budget"
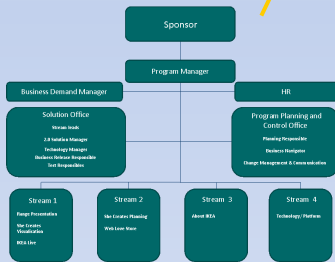
IKEA Retail & Communication

IKEA.com 2.0

The Projects of the Program

- Convergent
- PPS + Scrum
- Benefit Driven Changes
- Sequential and Interactive

Governance Framework (PMIs)

Executive Sponsor

Benefit Realisation

Program Board

← Supports

↓ Govern

Program Manager

Benefit Enablement

← Supports

Program Management Office

↓ Govern

Project Manager

Solution Delivery
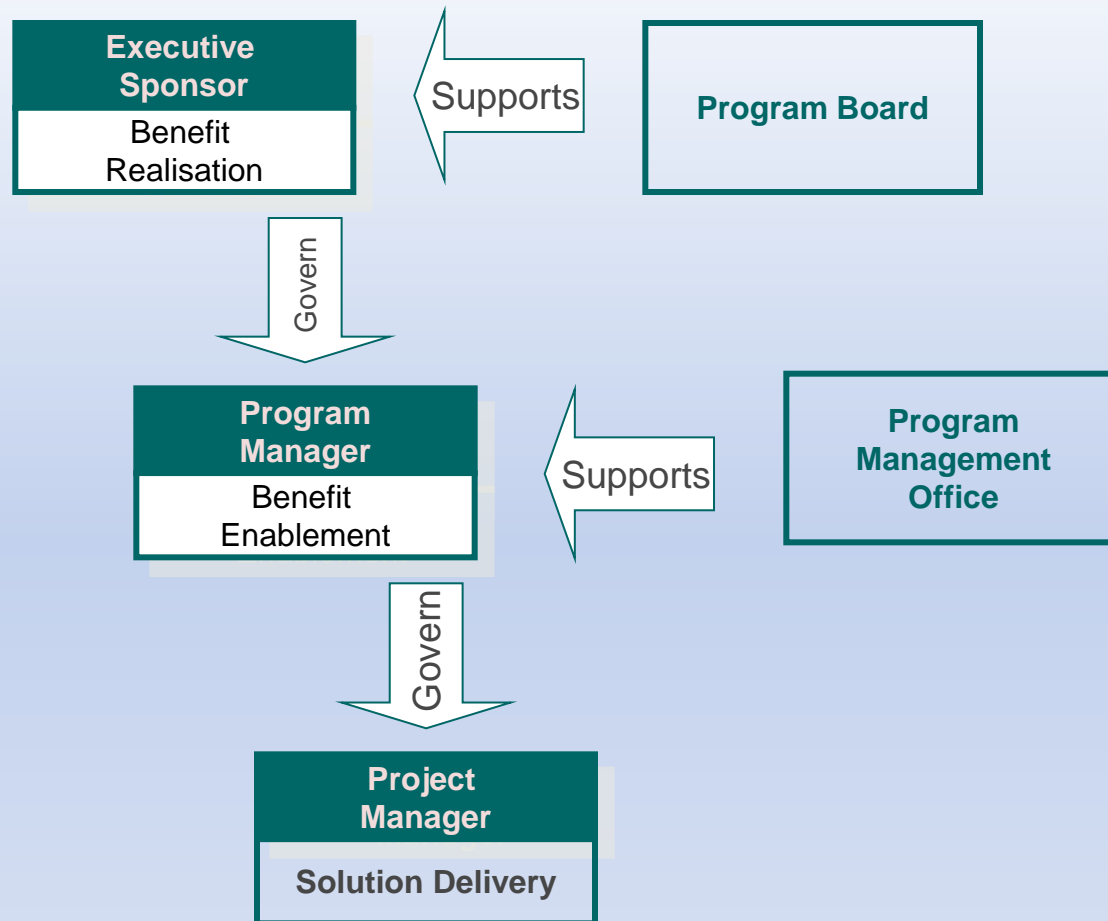
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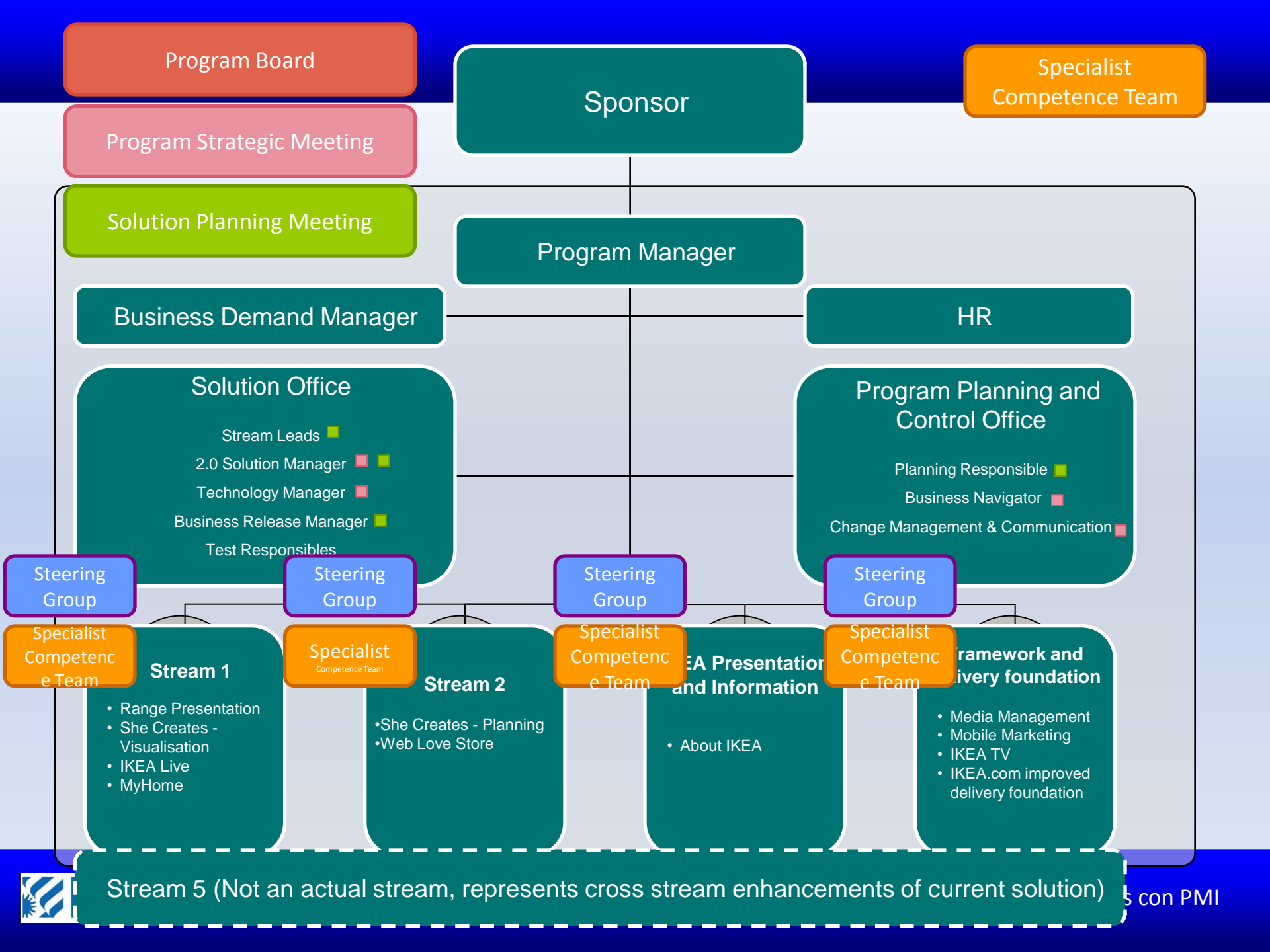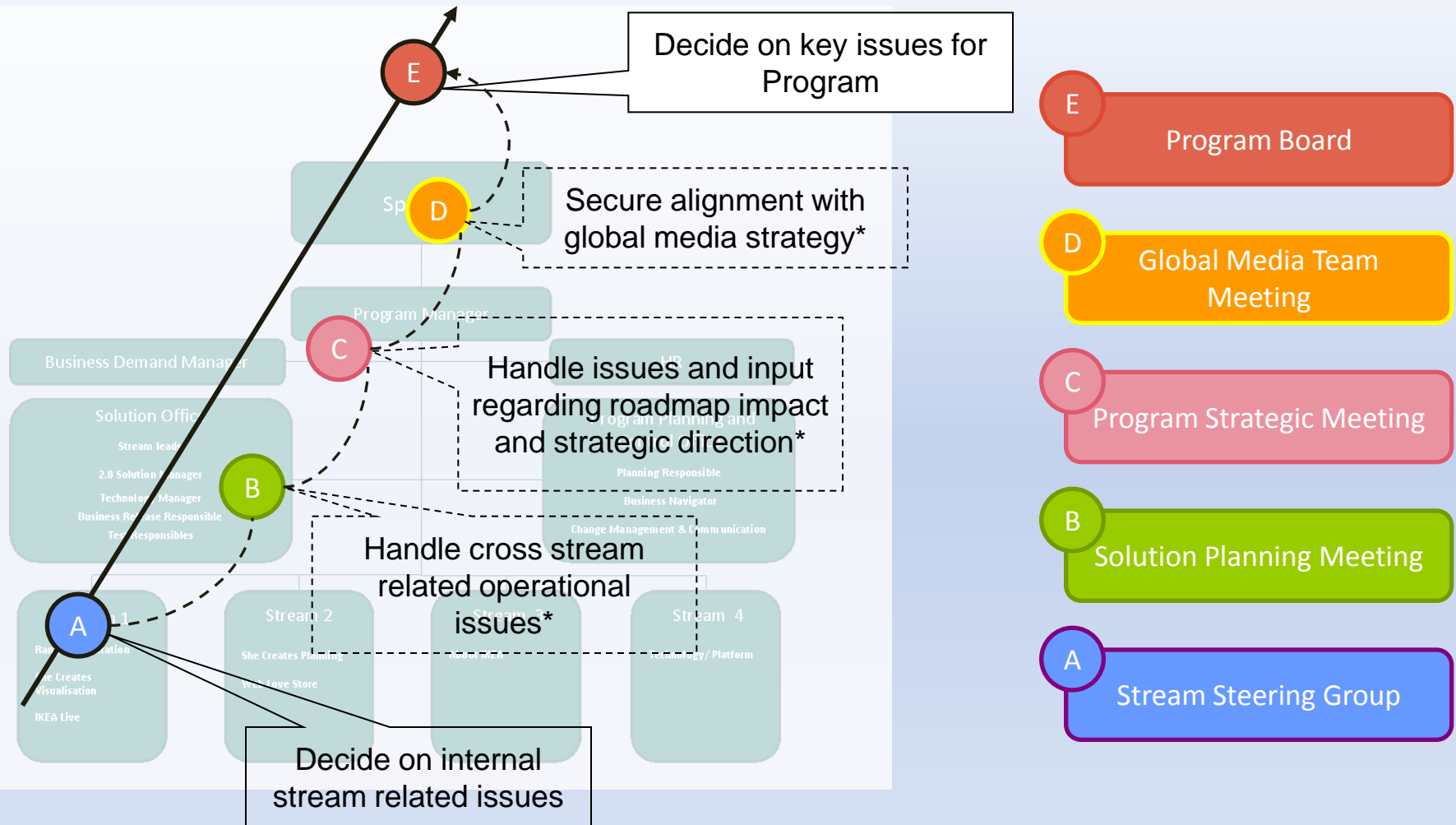In Web 2.0 we use Program Planning and Control Office as Program Management Office

Program Board

Program Strategic Meeting

Solution Planning Meeting

Stream Steering Group

IKEA.com 2.0 Program forums & meetings

Decide on key issues for Program

Secure alignment with global media strategy*

Handle issues and input regarding roadmap impact and strategic direction*

Handle cross stream related operational issues*

Decide on internal stream related issues

E	Program Board
D	Global Media Team Meeting
C	Program Strategic Meeting
B	Solution Planning Meeting
A	Stream Steering Group

NOTE: Dashed line = Meetings, not escalation levels. A + E are forums with official decision rights

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Summary

Contributors to the success:

- Awareness of the culture of the company/organization
- Continuous stakeholder management
- Aligned governance structure
- Creation of a mindset of adaptations to continuous change

Obstacles for a better result:

- A large amount of consultants in the program
- An external PMO with focus on "The Plan"
- A team composed by people trained in different project management methods

Questions and Discussion

Clarifications

During the presentation, I mentioned several times the need for a different mind, a mindset to handle the continuous changes that a program needs to manage.

Project managers that have worked with "stand alone" projects usually have a mindset of sticking to the plan and to avoid changes that can jeopardize their project, the delivery date or the budget

According to PMI "The project manager tries to keep a change to the minimum, while program managers have to expect change and even embrace it."

My point was that there is a contradiction embedded here, because project managers that are working in a program need to accept the change as part of the play and not be so focus on trying to keep change to the minimum.