What is meant by the term “Governance”? Governance is a framework within which project/program decisions are made. Governance is multifaceted and a well-structured governance model provides:

- Clear roles, responsibilities and accountabilities.
- Clear reporting.
- Clear information flows.
- Clarity of stakeholders.
- Clear scope.
- Clear procurement processes.
- Clear financial authorities.
- Ethics.
- Dispute and conflict resolution escalation channels.
- Obvious delivery model overlays.
- Apparent meeting schedules.

Without a good governance and organisation structure the team do not have clear roles and responsibilities. Without these there is the potential for duplication of effort, leading to frustration and tension between team members as they see others doing similar if not the same thing as themselves. This can foster non-engagement as the individual thought pattern kicks in of “why should I push myself or waste my time if someone else is doing this?” When team members disengage from a project, the amount of time to do a task increases, quality tends to reduce and rework is required. All of which leads to cost increase and time delays.

However, project program and portfolio governance and organisational structures need to be thought through carefully to cater for the environment in which they are delivering. This article provides some clear basic models to use as a framework. These models have been adapted and used in multiple environments. They have been fundamental to the successful delivery of projects, programs and portfolios.

**Project Governance**

Projects are groups of related activities, are task-oriented and are typically managed using traditional approaches. Project management frameworks can be used to bring about consistency in the management and delivery of projects across an organisation. Maturity in project practices has been found to be strongly correlated to better and more predictable project performance and lower direct project management costs. Projects have their own governance structure, which is separate to organisation governance structures. Projects are typically operational, run in one function and can bring about procedural change.

For smaller projects, a complex structure would be unnecessarily unwieldy and a simplified structure could be used as shown below:

**PROJECT PROGRAM AND PORTFOLIO GOVERNANCE**

What is the difference between project, program and portfolio management and why is governance vital to successful delivery?
Program Management

Programs are groups of related or interdependent projects that need to be coordinated to achieve a strategic objective and to obtain benefits and value which would not be available from managing them individually. The sum of the program outcome(s) is greater than the sum of the individual project outcome(s).

Programs are multidimensional, span multiple functions and have multiple types of stakeholders. They also have financial accountability and authority of the projects, and can commit organisational resources. As there are multiple interdependent and dependent projects, the priorities of each of the projects and organisational priority of the program itself becomes critical for management and portfolio balancing.

Program Governance and the points of decision making need to be carefully thought through. Recently on rescuing a major program, we had to totally restructure the governance of the program, as it had been set up with each project having its own governance structure. Each project governance structure was making decisions relevant to their own project, without realising that their decision was impacting other dependent and interdependent projects of the program. Project and program governance mechanisms need to be very carefully constructed so that roles and responsibilities are clear, complementary and aligned, to avoid duplication whilst enabling the program to deliver.

Programs usually have a program office, or program office support, for the collation and aggregation of project schedules and financials to enable the dependencies and interdependencies become more visible. Other key functions that require coordinated management for a program include collation and aggregation of risks and issues, coordination and administration of facilities, resources, procurement, training, standards and methods, contract management and communications. The program office needs to have a tactical focus for it to be effective.

The following program governance structure leverages from project governance and can be used for the management of independent projects that aggregate to deliver the outcomes necessary.

The following program governance structure is quite complex and could be used where there is a combination of interdependent and independent projects.
Portfolio Management

A project portfolio includes multiple projects and programs. The word portfolio means a collection of items. An example is an investment portfolio which includes many properties and shares. Similarly a business will have multiple projects and programs, and to manage the delivery, business risk and investment of these projects and programs collectively, portfolio governance is put in place. The portfolio provides the organisation with a complete view of the programs and projects within an organisation, and this represents the organisation’s commitment of resources and investment to delivering its strategic objectives.

Portfolio management directs investment and tracks outcomes, shows where each project or program is in the lifecycle and in a Government context ensures alignment to policy. There is considerable portfolio balancing and optimisation that is done on a regular basis which is determined by resource availability, cash flows of the organisation, organisational and environmental changes.

Summary

In conclusion, Governance structures are context specific and the structure and competencies need to be carefully considered for each project or program. Each member of the governing body has specific accountabilities, roles and responsibilities and needs to be selected carefully for the successful delivery of a project or program.

There are many statistics available that consistently state that many projects and programs fail to deliver, prove to be disappointments or are just an outright failure. This represents a significant waste of investment which could have been put to greater use.

We have conducted many program rescues and time after time, with recovery beginning with the reset of the governance structure before the program can succeed. Building4Business Pty Ltd specialises in the implementation of strategy through the delivery of strategic change programs and thought leadership surrounding this area. In doing so, we build effective projects and programs within portfolios.
Cecily Macdougall

Cecily Macdougall has extensive experience in leading strategic change and strategic change programs. As an experienced practitioner, Cecily has delivered multiple strategic change programs that have been used to implement strategy, organisational renewal, build ICT capability, drive performance, address complex business challenges and produce significant and sustainable results.

Cecily is an accomplished and innovative director with over 20 years in establishing effective strategy to achieve long term objectives. Cecily Macdougall is Managing Director for Building4Business Pty Ltd. Previously she has been CEO, Director, General Manager and Operations Manager, for multiple IT service companies and has held multiple Board positions. Cecily has held various senior consulting roles for Tier Inc, Gartner, Unisys Australia, Aspect, and Wang Australia across a wide range of industries in private sector as well as public sector. Cecily has built industry/business networks including Technology Partners Program, Australian Interactive Media Industry Association (AMIA) and Hush Music Foundation. Cecily has developed an unusual range and depth of skill with competencies in the disciplines of business, finance, information technology and systems integration, portfolio/program/project management and human resources.

Cecily is a key thought leader and has published articles in the Govlink, Queensland Mining Resources Bulletin for CEOs, and CPA In the Black. Cecily is a qualified CPA and is a member of CPA Australia, the Australian Institute of Management, the Australian Institute of Project Management and the Australian Human Resource Institute. Academically her achievements include a Master of Business Administration in three streams, Professional Accounting, International Business and Strategic Human Resource Management. Accreditations include Leadership and Organisational Renewal (Practitioner), Inclusive Value Measurement practitioner (Level 2), PRINCE2 project management practitioner, and Workplace Trainer/Facilitator (Category 1).

Cecily Macdougall is presently managing change in a major transformation program in State Government for the implementation of a centralised Courts ICT system across multiple jurisdictions and 52 court locations.

Corinne Cadilhac

Corinne has extensive experience in leading strategic projects and programs and brings together a unique combination of strategic planning, practical engineering, business development, process and people management skills. From an engineering perspective, her experience includes the management of design teams for design and construction as well as project management in feasibility development, functional design and options development, master planning, Environmental Effects Statements, transport and land use integration plans and detail design. This work includes complementary experience in all aspects of transportation and infrastructure projects, such as contract management, construction supervision, construction liaison, community consultation, independent review advice and client relationships.

Corinne has an Engineering Degree and a Masters in Business Administration. Corinne is currently a Director at Department of Transport. Previously she led the transportation design team at SKM and was the Business Development Manager for the Melbourne Office. Her experience in the public sector includes key roles with the Programs Management Office, Delivery Coordination Division, Public Transport Division, Integrated Transport Planning Division and the Strategic Planning Division.

In a bid to support consistency of project management practices within the Department, Corinne authored the Departments Project Management Framework in 2001 and managed the development of its associated guidelines and templates. More recently, Corinne has developed an end to end (E2E) portfolio business process for the Department which extends the project management context to include program and portfolio management. The E2E business process integrates the work of transport within and external to itself, to enable the successful delivery of the transport portfolio’s strategic program responses from idea generation through to outcome realisation. Recently, Corinne assisted the Department in setting up the management of the Victorian Transport Plan refresh.

Corinne is currently leading a business unit to provide ongoing support to the Departments Executive on the E2E Business Process. Corinne is also a member of the Audit Committee.