

# REALISING STRATEGIC GOALS THROUGH EFFECTIVE PROGRAMME MANAGEMENT

*“All too often power utility companies start their long term investment programmes with the objective to ‘be the best’ - with world class programme management. However, best intentions time and again begin to fail.”*

Programme benefits are not fully realised, because too much focus is applied to individual project outputs rather than the desired outcome of the overall programme. Limited usable management information leads to below standard decision making at the programme level and strategic misalignment with the total supply chain. Growing concerns of programme milestones not being met and limited financial certainty create a climate of governance concern. In response, managers focus on their own projects or sub-programmes, seeking to protect reputation and often allowing a blame and claim culture to grow.

## The benefits of effective programme management

With over £30 billion to be invested in the next five years by distribution network operators and the National Grid

it's another great chance to realise the benefits effective programme management can have on overall business performance. The added pressure of an increasing large number of small projects, spread over huge geographical areas, combined with multi-service providers using different systems and processes adds to the challenge.

Getting the strategic programme management approach right before the start of the next investment programme is the key. Establishing a multi-project programme PMO (Programme Management Office) for a strategically aligned organisation will help ensure improved efficiency, certainty, speed and control of the overall programme and project delivery.

## Change of approach

So why is it that when companies look to establish a PMO they only seem to be successful in part? To change the approach undertaken in previous investment programmes power utility companies need to focus more on a portfolio management approach that ensures a successful framework and enables the programme to deliver benefits in line with a company's strategic objectives. Pan-organisation risks and interdependencies are then optimally managed as the delivery of the programme tends to be managed in a more controlled way through a stronger environment of corporate governance.

Such an approach optimises resource utilisation and embeds consistent processes and procedures through the PMO's central control of the programme delivery plan across a multiplicity of projects year on year.

Performance management then becomes more effective as it is underpinned by benchmarking, knowledge sharing and competency development which is more transparent within the programme and is shared across the programme.

### Organisational alignment

For those companies who realise organisational alignment there will be an increasing surety that project and programme management data is real-time accurate, allowing strategic programme decisions to be optimised. They will also benefit from clearly defined accountability, consistent delivery and control of risk, stakeholder confidence and maximum efficiency in the supply chain.

Setting up the right form of PMO from the outset is critical and whilst this is a good start, failure to provide ongoing support and lasting commitment is inevitably the main cause of companies' failure to achieve world class programme management.

### Contact

**Terry Povall**

Partner, Head of Utilities

**m** +44 (0)7836 756 698

**e** [terry.povall@echarris.com](mailto:terry.povall@echarris.com)

**w** [echarris.com/powerdistribution](http://echarris.com/powerdistribution)