Congratulations! You're an Executive Program Sponsor. Now What?

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Executives can fill a number of program roles. However, the most important executive role — and the subject of this research — is that of executive program sponsor. If you are asked to fill this role, you can have a major impact for good (or not). This impact will be in proportion to your knowledge and readiness to act, to decide and to understand — the kinds of executive activities that the program team and executive management expect you have already mastered.

Key Findings

- Poor program governance is a root cause for many issues and problems that programs encounter.

- Too often, executives who fill the executive sponsor role understand little about programs or program management and what is expected of them in this role.

Recommendations

- Prepare yourself for the job of executive program sponsor. Part of this role is to foresee and be ready for specific decisions and actions that should be a well-understood part of governing programs.

- As the sponsor, you are key to good program governance and oversight, but a highly experienced team, whose members work well together, will significantly enhance your performance.

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A Scenario

Imagine yourself as an executive who is puzzled. You have just left a senior-level meeting in which it was determined that a major challenge could no longer be denied — that action must be taken, money spent and resources applied. This effort is hugely important to the organization and wildly expensive. It will require one of the organization's best executive leaders, and you've been named as that executive leader (Congratulations? Maybe!). You're not actually worried, but you are puzzled. During the meeting, it was mentioned that this effort should be structured as a program, and that your role would be that of executive program sponsor. Sure, you've seen the term "program" in the press (such as "Major Program a Disaster; Millions Lost. CEO Says, 'I Can't Imagine Where We Went Wrong'"), and you begin to wonder:

- What, exactly, does an executive program sponsor do?

- Am I the right person for this job? Do I have the influence and political muscle to be successful?

- How much time will this take? I already have a more than full-time job.

- What decisions do I own, and what is the context around them?

- What are the potential impacts of being right or wrong?

- What happens if I get this executive sponsor thing wrong?

Programs and Executives

Once a strategy and direction are decided on, it must be turned into action. Winston Churchill had it right: "I never worry about action, but only inaction." Programs are a strategic action mechanism to drive work activities and obtain the results identified in a strategy, a set of goals or an organizational direction.

The most important executive role — and the subject of this research — is that of executive program sponsor.[1] This role is also called the "Senior Responsible Owner" (SRO) in some methodologies (for example, a well-known process definition from the U.K.[2]). We will use "sponsor" in this report.

In other Gartner research,[3] the role is described this way:

> "The executive program sponsor is responsible for overall program success and the program's contribution to linked organizational goals and strategies. This role, for the program, reports to a senior executive or the operating committee."

It is largely through the sponsor's overall guidance — making timely and effective decisions and intervening (when needed) — that the success vision is driven through to the "right" conclusion. On the other hand, a sponsor's inattention, nonavailability or unwillingness to decide can cause a program to fail. Remember the advice of Yogi Berra, former catcher for the New York Yankees baseball team: "If you don't know where you are going, you might wind up someplace else."

The best choice for an executive program sponsor is a senior executive — typically, one who manages a substantial business unit or business division and who is already highly experienced in managing complexity. A successful program sponsor wields sufficient influence — that is, has the strengths of both position and political muscle — to drive the program through obstacles and

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challenges. Further, the successful sponsor has the staying power to sustain the needed focus and consensus over the lengthy duration of the typical program.

A program's startup phase (described in the next section) closely resembles a new business startup effort. It places high value on hands-on leadership, team building and the ability to succeed in a low-structure, fast-changing environment. More than that, many times, the program team is composed of staff from a variety of sources. Just as with a new business startup, a major focus of the executive sponsor is to take the diverse leaders and weld them into an effective management team.

So, if you are asked to fill this role, take a quick look in the mirror, and honestly evaluate your strengths and weaknesses to see if this new role is a good fit.

Programs — A Quick Level Set

The following is a quick level set around programs and the state of the art in program management. If this is familiar territory, feel free to skip this section. Following are Gartner's definitions:

- A "program" is a group of related projects or initiatives, organized within a common management structure, that are charged, together, with the achievement of results and outcomes that contribute to success for specific organizational goals and/or strategic objectives.

- "Program management" is the coordinated planning, management and execution of multiple related projects that are directed toward the same strategic, business or organizational objectives.

- The state of the art for programs and program management is, at best, only fair. The defense organizations of governments, defense support companies and large utilities have a great deal of experience in very large-scale programs and their management. That said, their results are mixed. Some very large-scale programs have gone badly, swallowing vast sums of unrecoverable capital.[4]

Examples of well-known programs include:

- The 13-year effort to conceive and to deliver the Airbus A380 wide-body passenger airplane

- The program of the U.K. government to deliver 30% to 35% budget cuts for many of the ministries

- The U.S. government's eight-year program to put a man on the moon (detailed in the next section)

Where Executives Can Have Significant Impact — But Often Do Not
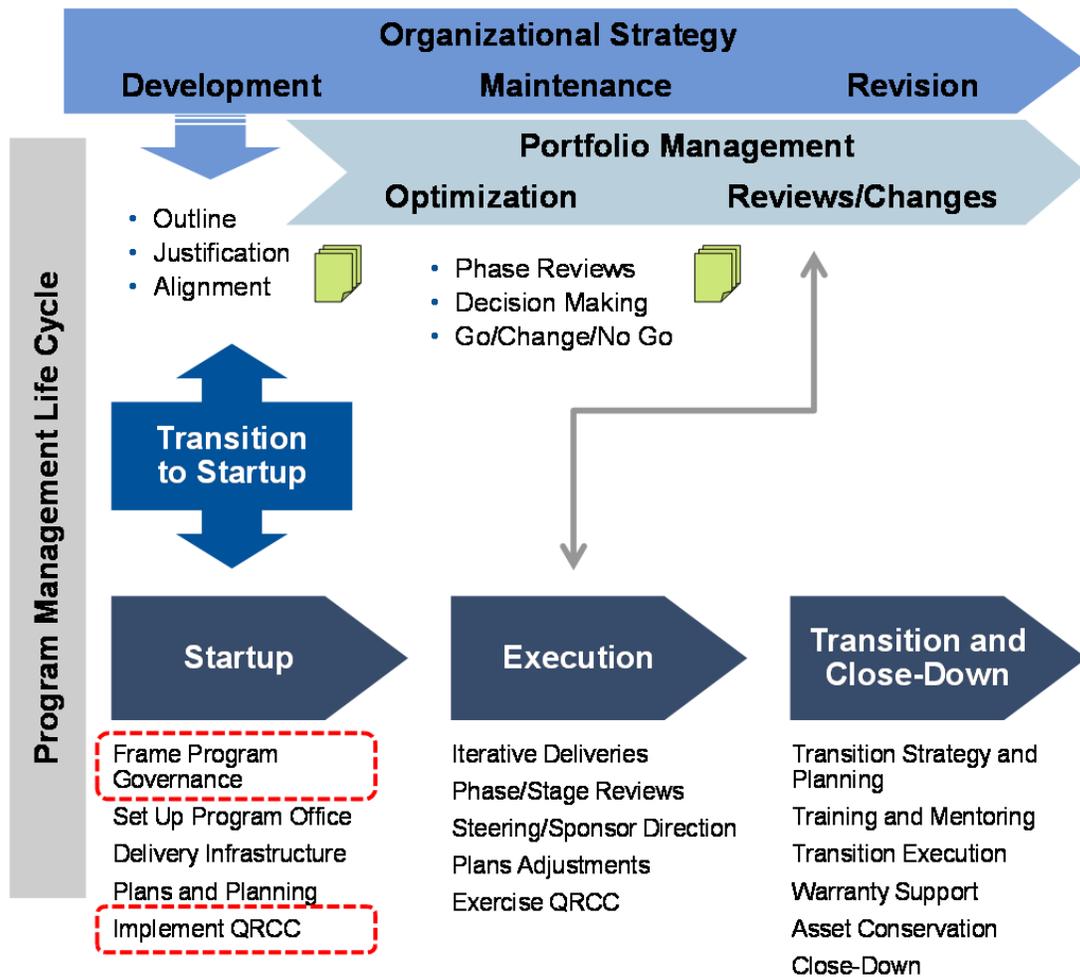
Programs contain a huge (sometimes, truly enormous) number of activities, tasks, work products and components in multiple, connected work plans and schedules. For example, the U.S. program to land a man on the moon involved 20,000 contracting companies, and the Saturn V booster contained 3 million parts.[4] This begets the classic question, "Where can I, as the executive program sponsor, add the most value across this huge landscape?" Here's the short answer:

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As the executive program sponsor, the "startup" phase offers a chance to make a significant impact. The startup phase is where the program is formed and mobilized (see the life cycle model in Figure 1). This research focuses exclusively on this phase.

However, emphasis on the startup phase should not obscure the long-term impact on program success of the sponsor's continued close engagement and decision making during the entire execution of the program. When sponsors vanish, the team "guesses" and usually guesses wrong.

The program management life cycle model in Figure 1 provides a graphic view of the stages through which the program work is organized, completed and delivered. The model has been marked up with dotted red lines to identify the points in the startup phase where you, in your sponsor role, are most needed.[5]

Figure 1. Marked-Up Gartner Program Management Life Cycle Model

QRCC = quality, risks, compliance and controls
Source: Gartner (April 2011)

Table 1 outlines the contents for the two marked-up items in the startup phase and the actions you take.

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Table 1. Areas of Greatest Executive Impact in a Program's Startup Phase

Life Cycle Component	Executive Sponsor Contribution
Frame Program Governance The program's structure, roles, responsibilities, major functions, decision rights and oversight mechanisms are defined as part of the "frame program governance" component. Key roles are filled, such as the program director, program office manager and individual project managers.	• You decide how and through which subordinates you will exercise your authority to govern, and define your own role to continually oversee program operation. • You allocate authority and decision powers among the program leadership. • You review and assess the organizational areas most affected by the program's future success, and identify, jointly with the leaders in these areas, a "change lead" who is a peer of the program director. • In doing all of the above, you establish the team structure and "playbook" for running the program until its successful conclusion and for ensuring the "fit," acceptance and ready use of program-delivered components and results.
Frame QRCC The approach, roles, goals, success and individuals who are responsible for each of the following are defined and agreed on: • Program quality • Program risk containment • Program compliance	• Each of the four areas of QRCC can be a source of trouble, in the form of delays, rework, nonacceptable results, poor financial management, and/or regulatory or legal issues. • As executive sponsor, you identify (or approve) those individuals who lead these areas. • You set "trip wires" so that you are quickly engaged where actions or decisions are needed.

Source: Gartner (April 2011)

Five Key Questions for Executive Sponsors

Question 1: Have I Put an Effective Governance Structure in Place?

Governance contains all the practices and mechanisms that you need to oversee and control to ensure the program maintains its direction and its evolution toward needed results. You must define which are yours and who operates others of these for you, and when each must be fully operational.

In particular, the executive program sponsor should:

- Identify and define specifically which decisions are yours alone, and outline the escalation process to ensure the decisions reach you quickly and accurately.

- Use the combination of a capability framework and your gut instinct to make a choice for your program manager — a person who you can make a "partner" in achieving success.

- Decide if a steering committee is a help, a hindrance or a political necessity to air issues, obtain needed decisions, and provide help and advice.

- Direct the adaptation of a governance model and a governance process to your program. Identify your specific decision-making and action principles to embed in both of these. Review and validate that what is delivered reflects these.

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Question 2: How Will the Program Be Managed on a Day-to-Day Basis?

Outline the contents and the requirements for day-to-day program direction and control. Define who operates each of these for you, how they operate, and the "trip wires" to call specific items and conditions to your attention for action. Let those you appoint to management roles flesh out the practices and structures. Review and approve them.

In particular, the executive program sponsor should:

- Work with the program manager to identify needed management roles, their relationships and their decision-making authority within the program. Review these against decisions that are yours alone for conflicts or contradictions, and resolve them. Direct the program manager to fill these roles, and outline your participation and approval role in that process.

- Assess the current skills and capabilities of the organization, as well as for the candidates for management roles in the program. Ask, "Do we have the depth of experience and skills for successful program management?" Consider the need for outside assistance. If there is a need, direct the recruitment of this assistance, and make the final decision on who, how many and at what cost.

- Direct the development of a decision rights matrix for the program to explicitly allocate decision authority among leadership roles, ensuring that this accurately reflects decisions that are yours alone.

- Determine your reporting and status needs for the program. Decide what you need to know — in how much detail, how often and who is responsible for providing this information to you. Direct the program manager to check with other engaged executives and other organizational functions and to review their needs with you. When reporting is developed, review and approve sample reports. Set a date for a review after they have been in use for three months.

Question 3: What Is Needed and Required to Manage the Program Budget and Finances?

The program budget and its spending must be managed responsibly and aligned with internal finance practices. It must also conform to legal and regulatory requirements. Iterative, periodic reviews determine if continued spending or additional allocation of capital is prudent and justified. Financial records must be maintained and conform to such standards as the U.S. Sarbanes-Oxley legislation and Basel II. The executive sponsor "owns" the achievement of value for money in program spending. The executive sponsor provides continuing justification for program spending in the form of completed deliverables, progress to plan and "real" contribution to strategic success — in return for what is being spent and has been spent on program work.

Specifically, the executive program sponsor should:

- Request the assignment of one or more individuals from the CFO or director of finance to fill a full-time or part-time role in the program as the budget administrator. This individual maintains a reporting relationship back to the finance organization, as well as to you.

- When the program spending plan is developed, review the plan. Check this with other engaged executives and the CFO. Direct changes or revisions to this plan, and approve the initial version, as well as the availability of initial funds to the program.

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- Review, together with the CFO or finance director, the spending authority and decision rights for spending, which are divided among the program leadership roles, and approve them.

- Direct the development of a set of financial scenarios, and review and approve them. In addition, review the alert and alarm conditions that result in notification to you, other executives or the CFO. These notifications highlight financial, budget or spending issues. Agree on who should decide and the allowed time frame for reaching a decision.

- Direct the program manager and his or her team to adopt (using past examples) a set of financial reports for *this* program. Have these reports reviewed, eliciting suggestions and requirements for changes with the CFO or finance director. Review and approve the final versions of these reports.

Question 4: How Can I Make — and Sustain — Needed Organizational Change?

Aside from building and delivering things such as products, software or infrastructure, programs are concerned with identifying, shaping and sustaining major (often strategic) change. Getting individuals and the organization to change is a hugely difficult human activity. In the role of executive sponsor, you are ultimately responsible for program success, which typically includes change and change efforts. As an executive sponsor, you will need the support of peers, as well as the work of the program staff, to shape and sustain program-associated changes in such things as products, work process, organizational structures, roles, skills and behaviors.

In particular, the executive program sponsor should:

- Be honest with yourself about your knowledge and skills at managing change. Where needed, engage change management professionals to advise you. Determine what and (more importantly) what *not* to delegate to the change management professionals for execution.

- Delegate the management of organizational change required for program success to one specific individual with major business or agency experience and a successful track record. Carefully craft this individual's role and relationship to:

  - The program director/manager

  - The operational units that are impacted by the program

  - Engaged executives

  - Any change management professionals

- Give change as much attention as — perhaps even a bit more attention than — the work and deliverables of the program. Working with a highly experienced program director or manager, you should have the time to do this.

- Be sure you understand the vision, the plan, and the expected results and impact of the needed change. On no account should you approve any change requirements of plans that you do not fully understand.

- Use your political capital with colleagues and engaged executives to gain "real" approval and cooperation to the change agenda and to the impact it will have on functions, services and organizations within the enterprise.

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Question 5: How Can I Get an "Independent" View of What Is and Is Not Happening With the Program?

Your view into the program, as the executive sponsor, can be a distorted and incomplete one. You may be hearing only what others want you to hear. Information that begins as timely and accurate can look a good deal different after being reviewed, revised, summarized and "packaged." There is a counterbalancing set of services that can provide you with a third-party or independent view of the program's state, conformance to expectations, progress and quality.

Independent verification and validation (IV&V), also known as "program assurance," is a well-worn discipline in which outside consultants are retained to provide an independent view of work and progress to the executive sponsor or executive board. There are advantages and drawbacks to implementing an IV&V function for your program. Many of the drawbacks have an "emotional" content — hinting at actual (or potential) distrust of the information that is being provided to you. You should expect to spend an additional 1% to 1.5% of the total cost of the program for this service.

- This is a tough decision. Consider the following when making a decision about retaining an outside firm to provide IV&V or program assurance services:

- Pros:

  - An unbiased look at the work, progress and quality of the program

  - Individuals who can be completely honest

  - Experience in performing similar services across a variety of programs and organizations

- Cons:

  - If this is handled poorly, the IV&V firm can call into question the reliability and integrity of the program director/manager and team.

  - This adds to the costs of the program.

  - Selecting the wrong firm can produce reports that are bureaucratic, as well as backlash if the consulting team is not politically savvy. The firm can also uncover things that are not really there due to poor understanding of the business or the program.

- If you decide to include an IV&V or program assurance set of services for the program, direct research into the appropriate outside services.

- Make the final choice of a consulting organization yourself, because the firm will be working directly for you.

- On no account should you have an IV&V or program assurance function performed by individuals on your enterprise's payroll. This puts them in an impossible position when asked to be entirely honest about those who may be organizational superiors.

RECOMMENDED READING

Some documents may not be available as part of your current Gartner subscription.

"Research Roundup: Gartner's Everything You Wanted to Know About Program Management"

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"Who's Who in Program Management: An Overview of Roles"

"Research Roundup: Gartner's Everything You Wanted to Know About Program Management"

Evidence

[1] Data gathered from Gartner client interactions and the experiences of a cross-functional group of Gartner analysts covering both PPM and CIO research areas.

[2] The U.K. Office of Government Commerce, "Managing Successful Programmes," the Stationery Office, revised in 2007.

[3] "Who's Who in Program Management: An Overview of Roles."

[4] Marshall Space Flight Center's Milestones in Space Exploration (NASA) — http://history.msfc.nasa.gov/milestones/chpt7.pdf.

[5] "Research Roundup: Gartner's Everything You Wanted to Know About Program Management."

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