

# UNDERSTANDING AND MANAGING PROGRAM FOR ALIGNMENT WITH BUSINESS STRATEGY

Maroane Aouni – Jean-Michel Viola

---

## Abstract

There is very little literature available that accurately describes the program management discipline which helps to ensure that a program is closely aligned to the achievement of a business's strategic objectives.

Understanding more about how program management and business strategy is carried out in practice can inform both managers and academics strengths and shortfalls in this area and help to pinpoint any gaps in theory or practice.

A literature review is conducted, in the most important academic journals of management, to understand the general research on aligning program management and business strategy. Then a qualitative approach, based on upon grounded theory methodology, is adopted for this research. The results are primarily taken in a case-study, in a multinational company, with the aim of fully understanding the nature of program management practices.

The main purpose of this paper is to describe the research methodology, from the research in the literature to the evaluation of the case study applied in the Media & Entertainment Industry, which is used to understand the challenges involved in aligning program management and business strategy.

**Key words:** Program Management – Qualitative research – Business strategy

**JEL Code:** F20, Z10

---

## Introduction

Nowadays multinational companies are more and more concerned with programs in order to realize their strategic objectives in an efficient manner. During the last 10 years, many companies have been dealing with linking portfolio, program, and projects to business strategy in order to get the best value of their strategy implementation. Partington, Pellegrinelli and Young (2005) see implementing strategy through program management as involving continuous re-formulation and adjustment.

Interest in program management has grown considerably over the last few years, with academics and practitioners alike demonstrating keen interest in the field. Three prominent organizations describe programs and their management :

- the UK's Association of Project Management in its APM Body of Knowledge, 5<sup>th</sup> Edition (APM, 2006)
- the UK's Office of Government Commerce (OGC) in its Managing Successful Programmes, 3<sup>rd</sup> Edition (OGC, 2007)
- and North America's Project Management Institute in its The Standard for Program Management, 2<sup>nd</sup> Edition (PMI, 2008)

A program is considered “a temporary, flexible organization created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives” (OGC, 2007), with shared strategic goals and budget (Lycett, Rassau & Danson, 2004).

The first part of the article describes the research objectives and the research methodology used. We begin with the literature analysis that covers literature on program and portfolio management with business strategy and link these two together. We then describe the case study of business strategy in a Media & Entertainment company. We continue by outlining the qualitative methodology for this field study and the research methods employed.

The second part of the article is dedicated to the presentation of research results through the literature review and the case study analysis. This part features the state of the practice of program management alignment with the business strategy in this multinational company.

The third part of the article concludes with a discussion of the findings and their implications for research, and suggests areas for future research.

This paper is part of an ongoing studies undertaken as part of a Doctor of Philosophy research project, in the management field, at the ESC Rennes Business School.

## **1 Research objectives**

Some researchers have noted that programs are more than simply an extended version of projects (Lycett et al., 2004; Maylor, Brady, Cooke-Davies & Hodgson, 2006) and are used to deliver strategic objectives.

The research objectives for the article are as follows :

- to conduct a systematic literature review of program management and business strategy and to perform a qualitative content analysis.
- to describe the case-study which allows to exhibit program management and organizational principles in a multinational company.
- to expose the method approach to use to collect relevant data through a series of interviews of experts within the domains of program management and business strategies.
- to present next steps of this research and suggest further research.

The research focuses on how program management aligns execution output to the business strategies of the company and the need to identify a theoretical framework to assure program and business success.

## **2 Research methodology**

The research started with the literature review of program or portfolio management and business strategy. It continued with an exploratory qualitative study to develop a basic understanding of the program management and strategy in a multinational company, leader in the Media and Entertainment sector.

Qualitative approach has been privileged to reach the research objective with a single case study.

### **2.1 Literature review**

This review is done to choose the articles that deal with business strategy in portfolio and / or program management.

We started a literature review and a historical analysis of the contents by using the EBSCO Business Source Complete (Academic Search Premier) Database to do an online search of the contents of scientific journals. We used three keywords to identify articles : Programme Management or Portfolio Management and Business Strategy.

This search resulted in a first set of 11 701 articles containing at least one of the terms, whether in the title, in keywords, or in the abstract. It included book reviews, editorials, and short pieces. We decided to limit our review to articles published in academic journals and from 1982 to 2012 which left 3 008 articles. The intent of this study was to focus on the premier academic journals specifically focused on management. The results of this search

included the Strategic Management Journal, the California Management Review the International Journal of Project Management and the Project Management Journal (PMJ) which was established in 1970 by the Project Management Institute (PMI). We found 92 articles in the EBSCO Business Source Complete database.

We continued the literature identification process including a keyword search for program management and business strategy in the Science Direct online database. This query generated 94 552 notices. During this review process, all book reviews (13 257), editorials (1 237) were also excluded from consideration. We decided to limit our review to 744 articles from the International Journal of Project Management, (IJPM) published by Elsevier Science. The IJPM was established, in 1983, by the Association of Project Managers in the United Kingdom on behalf of the International Project Management Association (IJMPA). We continued the search process by limiting the search to program management topic and found 18 articles in the Science Direct database.

In total, we identified 110 articles that pertained to program management and business strategy. The next task was to analyze the title of the article and the abstract among those 110 articles. We rejected articles that did not produced results of applicable business strategy with program management articles. We read the full text of the applicable articles and sorted the data according to our research question.

We were able to conduct a content analysis of all these articles, over this 30-year period, that have been published in the main academic journals of management. The critical analysis of articles will therefore address references, the meanings given to program management or business strategy.

## **2.2 Description of a case study in the Media & Entertainment Industry**

In parallel with our literature review, an opportunity arose to study and understand more about how the strategy for the program is managed and maintained through the operational vision in an international company, in the Media and Entertainment Industry.

The criteria for case study selection were the case study exhibit the importance of program management discipline to ensure that a program is closely aligned to the achievement of a business's strategic objectives.

In conducting this case study, we are able, using documentary evidence and discussion with the management, to gather basic information about the company, the program, and its visions. The Technicolor company is a good candidate because it has been managing several programs internally and externally for itself and its clients, and has defined method to align business strategy and program management. Case study research helps to deal with the complexities of the real world and to demonstrate methods and techniques.

### **2.3 Data collection Techniques - Qualitative study**

To complete this study, a research with an exploratory qualitative study will develop a basic understanding of the program management under the structure. The qualitative approach in obtaining additional data is explained hereafter.

A series of semi-structured interviews will be conducted with managers with positions as program manager, program director, business unit or department manager. Those managers, with a strong focus on the program management role, aim for maximizing the results of their particular program. The approach will be employed to interview a number of key people who have responsibility for programs. The interviews will be held either face-to-face or through conference calls.

Participants, which come from various levels within the organization, will be briefed in advance in writing that the purpose of the interview is to provide them with a chance to share how corporate strategy is formulated through programs. An outline interview guide will be developed to provide a structure for the interviews and a checklist for the information to be collected. With the consent of participant, the interviews will be recorded and additional notes will be taken during the interviews in order to provide descriptive elaboration of the elicited information.

The transcripts of the interviews will be provided to the respondents for their comments and feedback and a confidential summary report will be provided to participants at the end of the study. Feedback received from respondents could provide support for the validity of the findings.

All interviews will be analyzed with a qualitative content analysis (using Nvivo software to support the process for instance). We will code the transcripts independently and then will meet to discuss the codes and emergent themes.

Data and information gathered from the interviews should provide evidence and insight into the way business strategy is aligned into programs.

### **3 Research results**

Two methods are used to collect data, which contributed to the research findings :

- A review of literature which provides a better understanding of previous research work.
- A case study-analysis of business strategy and program management in a multinational company.

In this section of the paper, we propose initial observations from the data.

#### **3.1 Analysis of literature review**

A review of references is used to capture the journals' interest in program management and business strategy. We read the studies and tried to understand the contents in the texts from the viewpoints of research questions.

The literature describes program management to be connected with portfolio management (Lycett et al., 2004). Program management is more involved in day-to-day implementation management than portfolio management, which is more periodic and is strongly analytical.

Programs and program management are frequently used in large organizations to implement strategic initiatives, and according to Michel Thiry (2004) is the most suitable methodology for ensuring the successful implementation of strategies. Business strategy describes the way in which a company decides to compete in the market compared to its competitors (Varadarajan & Clark, 1994; Walker & Ruekert, 1987). Thus, understanding the contribution of program alignment may contribute to the improvement of the effectiveness and efficiency of the delivery of strategic objectives (Chorn, 1991). Alignment examines explicitly the relationship between strategies, structure, and management methodologies within organizations (Reich & Benbasat, 2000).

Most of the literature suggests program management to solve problems of linking projects toward a common objective. Programs are often ongoing long-term and are subjected to both uncertainty and ambiguity (Thiry, 2004). Projects in distinction to programs have a unique objective and follow a single development life cycle. This statement was based on the need to make a distinction between project management and program management.

Some authors have introduced specific frameworks to move the discipline toward a more strategic approach. Milosevic (1989) offered a system approach to strategic project management. Artto and Wikström (2005) introduced the concept of business project strategy. Some researchers have noted that programs are more than an extended version of projects (Lycett et al., 2004; Maylor et al., 2006) and are used to deliver strategic objectives that may not be delivered by sets of uncoordinated projects (Turner & Muller, 2003). The OGC (2007) considers the alignment between strategy and projects to be one of the main benefits of program management.

A critical review of recent program academic literature has shown that limited attention has been paid to the strategic program management approach which is based on the realization that programs are, most of the time, initiated to achieve business results (Pennypacker & Dye, 2002) and that program management implementation should be better aligned with the higher-level enterprise strategy.

The objective of this literature review was to identify and understand the general research on aligning program management and business strategy in order to define and develop a theoretical framework, for aligning program management with business strategy, to improve program efficiency and deliver more successful programs. This may improve the usefulness and practical application of existing good practice frameworks (“Managing Successful Programmes” by OGC and “The Standard for Program Management” by PMI).

### **3.2 Analysis of the case study in the Media & Entertainment Industry**

We have some general knowledge of the Technicolor company, (which is a worldwide technology leader in the Media and Entertainment sector), its strategy and how it is managed its programs. Technicolor is at the forefront of digital innovation and lead the market in delivering advanced video services to content creators and distributors.

At the strategic level of this group, executives focus on creating the company’s strategy, vision and mission. These concepts are then put into practice at the operational level of the company by those who implement the plans and create the related products and services, via program management practices.

There is a hierarchical cascade of objectives from the corporate level, through strategic Business Unit (BU), to portfolios of programs and projects. The BU initiates and selects program for their portfolio to fulfil business needs. The company uses a process for measuring

the strategic contribution, uncertainty/complexity and value-for-money of its capital investment at the BU level and for evaluating, selecting and prioritizing its programs. The strategy for the program is managed and maintained through the operational vision within the business case which is the key element of the corporate and program management interface in the company. The Business Unit can also make its strategic choice by selecting an attribute (e.g. time-to-market, quality, cost and features).

Programs is seen as the management of a number of interrelated projects also covering operations and maintenance (due to much of the product margin is in operations and support). Programs are managed via a stage gate process with a program board responsible to program governance. The gate review process ensures that programs are aligned to business and corporate strategy as they are set-up, authorized and executed. We observed gates as milestone reviews for evaluating the program status.

The company also has a process for managing a rapid response to change impacting strategy. This change business can be revealed during the gate review as well as any phase of development. Therefore an emergent strategy is needed to align program management and business strategy.

## **Conclusion**

The aim of research described in this article is to understand the way business strategy is developed and implemented via the management of programs in the organizations. This article has analyzed articles on program management and business strategy from scientific journals dedicated to the field of management, many of articles which came from the Project Management Journal and the International Journal of Project Management.

The review of current academic program literature shows limited implementation of clear alignment between business strategy and program management. This can be explained by the perspective of viewing programs simply as larger types of projects. We have found that program management is used as a means of implementing corporate and business strategy and is a key business process. This finding matches quite well our expectations before the case study and justifies our contribution. Our research was essentially qualitative and exploratory, as we were interested in understanding the alignment of program management with business strategy. A single case was selected to illustrate the contribution of the program management in the implementation of the corporate strategy in a multinational company (and because it was expected to be particularly revelatory). The implementation of the Technicolor's strategy



is done as a strategic Business Unit level through portfolios of programs and projects. Program strategy is aligned with the portfolio strategy and is revised as the program progresses.

This research project serves to explore the knowledge base on alignment of program management with business strategy and encourage continued investigation on the definition and the development of a theoretical framework which is suitable for practice.

### **Limitation and future research**

This work does have certain limitations. By only examining articles that appeared from two datasources and in a selection of periodicals, we have disregarded work from other journals. The data collected for the case study came from a single organization and the informants were from the same Business Unit of the organization.

Our research is in its formative stages, and additional investigations are necessary. Future research is planned and is needed to collect data which will help to provide information for constructing a new conceptual tenable theoretical framework, for aligning program management with business strategy.

This article is largely based on part of the fieldwork from my doctoral research. The scope of this article is limited, by search results obtained at the time of the Doctor of Philosophy research project and by paper words-limit. So we acknowledge that we cannot provide as full and detailed a discussion that we would prefer.

### **References**

Partington, David. Pellegrinelli, Sergio. Young, Malcolm. "Attributes and levels of program management competence : An interpretive study." *International Journal of Project Management*, 23(2), February 2005: 87–95.

Pellegrinelli, Sergio. Partington, David. Hemingway, Chris., Mohdzain, Zaher. Shah, Mahmood. "The importance of context in programme management: An empirical review of programme practices." *International Journal of Project Management*, 25(1), January 2007: 41–55.

Lycett, Mark. Rassau, Andreas. Danson, John. "Programme management : a critical review." *International Journal of Project Management*, 22(4), May 2004: 289-299.

Maylor, Harvey. Brady, Tim. Cooke-Davies, Terry. Hodgson, Damian. "From projectification to programmification." *International Journal of Project Management*, 24, November 2006: 663–674.

Varadarajan , P. Rajan. Clark, Terry. "Delineating the scope of corporate business and marketing strategy." *Journal of Business Research*, 31, October 1994: 93-115.

Walker, Jr. Orville .C., Ruekert, Robert.W. "Marketing's role in the implementation of business strategies: a critical review and conceptual framework." *Journal of Marketing*, 51(3), July 1987:15–34.

Chorn, Norman. J., "The alignment theory : creating strategic fit." *Management decision*, 29(1), 1991: 20-24.

Reich, Blaize.Horner. Benbasat, Izak. "Factors that influence the social dimension of alignment between business and Information Technology Objectives." *MIS Quarterly*, 24(1), March 2000: 81-113.

Milosevic, Dragan. Z., Srivannaboon, Sabin., "A theoretical framework for aligning project management with business strategy." *Project Management Journal*, 37(3), August 2006: 98-110.

Milosevic, Dragan. Z., "System approach to strategic project management." *International Journal of Project Management*, 7(3), 1989: 173–179.

Artto, Karlos. A. Wikström, Kim. "What is project business." *International Journal of Project Management*, 23, July 2005: 343–353.

Turner, Rodney. J. Müller, Ralf. "On the nature of the project as a temporary organization." *International Journal of Project Management*, 21, March 2003: 1–8.

PA *The standard for program management*. Newtown Square : Project Management Institute (PMI), 2006.

UK *Managing successful programmes*. Norwich, Norfolk : Office of Government Commerce (OGC), 2007.

**Contact**

Maroane AOUNI

ESC Rennes School of Business

2 rue Robert d'Arbrissel CS 76522

35065 Rennes Cedex

Maroane.aouni@esc-rennes.fr

Jean-Michel VIOLA

ESC Rennes School of Business

2 rue Robert d'Arbrissel CS 76522

35065 Rennes Cedex

Jean-michel.viola@esc-rennes.fr