



Programme Boards

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David Archer & Alex Cameron

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Socia Round Tables

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At Socia we are interested in improving Programme Board performance, so in this second Board roundtable discussion, we brought together a group of Programme Board members to share their experience. They started by identifying five challenges that Programme Boards face in leading major programmes.

1. *Good process can't compensate for poor leadership*

Most of programme management assurance is based on assessing the processes of project control, progress monitoring etc. Whilst this is necessary it is not sufficient. Successful programme delivery is based just as much on how leaders: use those processes; communicate with the people around them; and build collaborative teams.

2. *Perfect alignment between incentives and objectives is rare*

Alignment of goals and incentives across all parties can never be 100 per cent. It is more important for leaders to be honest about areas of mismatch and be able to handle the consequences. Poorly aligned objectives and incentives can produce perverse behaviour. Good leaders notice the behaviour and reset targets rather than blaming others or exploiting the situation for personal gain.

3. *Judging progress from paper reports is only getting half the story*

There can be many reasons why a programme board report can appear to be out of step with what is visible on the ground. Board members need to build a rich picture of progress from a number of sources and different perspectives – including personal experience.

4. *Change is inevitable – so strategic decision-making is vital at every stage*

In the long run 'successful delivery' is defined in terms of the future business benefits not simply in terms of blind delivery of the original plan. A small change to the external environment can have big implications to the long-term success of the programme. A Programme Board needs access to strategic expertise and understanding of the future business context to play a scrutiny role when changes happen and plans have to be re-evaluated.

5. *The consequences of the traditional approach to contracting*

When setting up a traditional contract for a large infrastructure programme people ask the market for a low bid and so that is what they get. Clients and contractors know that requirements will change and this is where the

contract will become financially viable but the procurement process doesn't encourage honesty. People may talk about a long-term shared vision for a programme but often end up buying a series of products.

With these challenges in mind, the group then reflected on how Programme Boards need to operate to improve leadership and decision-making and it's much more like running a business.

Professional advisors advise, but leaders need to lead

There is real scepticism that lawyers and other professional advisors always play a positive role in keeping everyone honest and making an open assessment of risk. Their remunerations/incentives can encourage them to find clever ways in the contract to wriggle out of a liability for a change, or to maximise the benefits to their own client of an unexpected event that impacts everyone. This damages the development of honest trusting relationships between all parties in the programme. In the end, advisors are there to advise but it is the Programme Board that should decide. Programme Board members need to be courageous, taking well informed decisions based on a balanced assessment of all the risks that face the project. Programme Board members are the decision-makers of the project, not the advisors.

Is it time for non-execs on Programme Boards?

On a corporate board, the people who help take these risk-based decisions are the non-executive directors (non-execs), who can bring in external experience and are charged with safeguarding the interests of the whole enterprise and its stakeholders. Non-executives on Programme Boards can fulfil a similar role bringing external scrutiny and challenge to a programme. If these individuals are also main board non-execs then they also serve as an additional communication channel between the Programme Board and its corporate stakeholders. Often Programme Board members operate as representatives of specific supplier/stakeholder interests, having non-execs on a Programme Board can help the Chair to keep the group focused on their shared goal rather than particular stakeholder interests.

As the duration and complexity of programmes grow their governance needs to look and function more like that of a business than a conventional project – and treating Programme Boards like corporate boards with good non-exec input and regular evaluation of board performance can help.

In our next boardroom dinner conversation, we will find out what new and aspiring board members think of the challenge of getting their first board position. What's the first impression of board operation from the inside?