

THE DEKKER, LTD. PROJECT MANAGEMENT SERIES

Part One: What is the Difference Between a *Project* and a *Program*?

No longer a discipline strictly relegated to the information technology industry, project management has taken the modern business world by storm. The four-stage process of defining, planning, executing, and delivering products and services has become the standard mode of operation for various types of public and private organizations around the globe.

The concept of project management may seem simple in a broad sense, but when one drills down to the details of how the process works and the many variations and additions to the model, the details become complex. This series will serve to dispel some of the more common misconceptions about the discipline of project management, enabling our readers to reach their goals with the efficacy required to excel in today's competitive marketplace.

Part one in our series deals with the simple distinction between projects and programs. Veterans and newcomers alike to the discipline of project management sometimes use the terms *program* and *project* interchangeably. This slip of the tongue often causes confusion as to whether the two are actually synonymous.

The fact is that projects and programs are not the same things. In their book *Project Management: The Managerial Process*, Oregon State University professors Clifford F. Gray and Erik W. Larson (2006) describe the difference as follows:

Programs and projects are similar in the sense that they both are directed toward goals and require plans and resources to reach their goals. Both use similar tools, methods, and policies. The differences lie primarily in scope and time horizon. A *project* is a complex, non-routine, one-time effort to create a product or service limited by time, budget, and specifications. A *program* is a series of coordinated, related, multiple projects that continue over extended time intended to achieve a goal. A program is a higher-level group of projects targeted at a common goal. (p. 5)

In other words, programs are sets of projects that are grouped together to reach a longer-range or ongoing goal. An example of this would be NASA's Mercury space program. The six, individual capsule flights that rocketed America's first men into space were the "projects" of the overall Mercury "program". Each of these flights/projects served a specific, time-phased function in the overall program of orbiting a manned spacecraft around Earth. Another example of the

program-project relationship can be found in the construction industry. The development and sale of new-home neighborhoods is typically rolled out in phases. These phases could easily be considered the “projects” of the overall development of the new-home neighborhood or “program”.

The total overview of all the projects in various stages in an organization is referred to as that organization’s *project portfolio*. A project portfolio will include programs, assuming that the organization uses programs to group projects together. Continuing the NASA space program example, the sum total of all the manned space flights in the 1960s that led to the landing of a man on the moon would be considered NASA’s project portfolio. This sum total includes the Mercury, Gemini, and Apollo space programs. *Project portfolio management* (PPM) is the discipline of tracking all projects in an organization by their throughput capacity, investment requirements, operating expenses, and their revenue contribution in satisfying organizational goals and objectives. In the case of NASA, each of the aforementioned space programs (and their respective spaceflights/projects) benefited from the one before it and ultimately satisfied the organizational goal of landing a man on the moon.

A final example of the project-program relationship comes from the IT industry. A software publisher’s individual products are typically developed as capitalized programs (i.e., programs funded by the software company). These products/programs are composed of releases or versions that essentially function as projects. As one version/project of a product/program is phased out, its specific project life cycle ends. With the release of a new version/project of the product/program, another project life cycle begins anew. The sum total of the software publisher’s products/programs, including their respective versions/projects, is the publisher’s project portfolio. Managing and tracking these products and new releases would be considered project portfolio management.

For more information on how your company can improve its project portfolio management capabilities, or to register for a project management-training course, call 1-800-4-DEKKER, or visit Dekker University online at www.dekkeruniversity.com.

References

Gray, C. F. ,& Larson, E.W. (2006). *Project management: The managerial process* (3rd ed.). New York: McGraw-Hill/Irwin.