0:00:05.3 Announcer: From the Washington DC chapter of the Project Management Institute, this is PM Point of View. The podcast that looks at project management from all the angles. Here is your host, Kendall Lott.

0:00:18.8 Kendall Lott: Hey, hey PMs today, co-host Mike Hannan and I welcome back a returning guest, Steven Devaux of Critical path drag and the Golden Triangle Fame, Well and PM point of view fame frankly. But, but, but, but Steve is walking a new path as he wrote in a LinkedIn article a couple of days ago and it caught my eye. Here's a man who's figured it all out for us, but beginning to aim his intellectual curiosity at something else. Declaring victory. He moves on to program value and the concerns that happen around not managing them well. So we're here today to hear what he's talking about on that topic. So, join us in exploring the edges of the next level thinking with Steve. Steve, welcome. Where are you calling in from man?

0:01:00.2 Steven Devaux: Thank you so much. I'm in Boston actually and it's great to be with you guys once more.

0:01:06.4 KL: Yeah, I think this is the first time I've actually seen you on the screen and our Team's never worked very well, but today you're crystal clear so I appreciate you signing up, signing on and logging in with us. Mike, how are you doing and where are you calling him from?

0:01:19.5 Mike Hannan: I'm Doing great. I'm dialing in from lower Manhattan, right near the Reconstituted World Trade Center, which I've only seen once since the new construction some years ago.

0:01:29.5 KL: It's been there for years now, right?

0:01:31.2 MH: I think at least 10.

0:01:34.7 KL: Oh at least. Yeah, yeah. So here we are talking about something different than we've talked before with Steve, including, just a couple of months ago I think we handled, what was it? Episode 104 integrated value approach where we talked about this with Sergei out of the Ukraine, new ways of understanding value and accelerating value. But that's all project level. So Steve, I saw your LinkedIn article, everybody follow Steve on LinkedIn. You should, 'cause then he says important things there. But I wanted to get a sense of what was it you were trying to say and what's making you think that way?

0:02:05.3 SD: Sure. As Mike probably knows, I've been fascinated for a long, long time with the subject of projects that save lives, things in national security or perhaps national defense or certainly healthcare and public health and emergency response. About 10, 12 years ago now, I published a chapter in the handbook of emergency response from CRC press, which I still feel is one of the best items I've ever written. Describing how to use project management tools in a situation of emergency response, specifically in that case responding to an earthquake in the Bay Area and how it's so important to, first of all to identify the individual projects that one is going to
use to identify the cost of time because people are dying under the rubble every hour that goes by after an earthquake.

0:03:12.3 SD: And so what are the projects that could be implemented as well as possible to save the most number of lives and how do we optimize that? We optimize it on the basis of Critical Path Method. So ultimately we would still start presumably with something like a work breakdown structure, then relate that to a value breakdown structure in terms of how many lives would each of these projects save. And then ultimately what is the schedule that will allow us to save the largest number of lives. So I've been fascinated by the whole project management in lifesaving aspect where dried costs is not in dollars but is in human deaths. And I've been fascinated by this for a long time. And so recently I've become more and more interested, particularly in terms of public health as I haven't seen a whole lot of improvement.

0:04:19.0 KL: So what I just heard you saying in there though was less about a concept of program or programmatic looks, but more about the nature of problems that are more in the urgent space and life threatening different than I need to get this toy out onto the ship by Christmas, get this produced by Christmas. So I'm wondering if that's the difference between project and program or rather more about the nature of urgency and is it about returning to your roots around urgency that matters?

0:04:41.3 MH: It's... I wouldn't say that was necessarily my roots, but it's certainly something that I've been interested in for a long time. And the importance of it in terms of helping save people's lives overall, the reason why it's related to program management is because most of these sorts of situations, including the emergency response, is really a program. It's not a project. There are many projects.

0:05:08.0 KL: Yeah, there we go. So let's get into that then. How are you seeing that as a program and you're seeing the application and you think critical areas, genuinely critical areas.

0:05:17.2 MH: Right, So if you're getting in going in after an earthquake, there are certain things that you have to be doing which are strictly projects such as for instance, setting up a triage station such as getting in and removing some of the materials that are trapping people, such as thinking back to the 1906 San Francisco earthquake, shutting off any gas lines because otherwise you're gonna have fires and things of that nature. So there are a number of things which really are projects that have to be done within a program. And what's crucially important to do for the program leader or leaders is to determine which of these projects should get done and get done fast, which are the ones that are gonna give you the greatest benefit that can be done the fastest, et cetera, et cetera. So in most of these cases, and certainly in terms of public health for example, which I'll talk a little bit more about, we're really dealing with the program, the difference between a project and a program. Let me do that definition 'cause no one seems to understand what a, certainly what a program is, and I would... That a lot of people still don't understand what a project is.

0:06:36.4 KL: Hold on, everyone needs to stop for a second and ponder that, what you're saying after 40 years of publications in this space that we still are not sure what this is, and you just said we're not even sure what the project is. So audience, take a deep breath.

0:06:50.3 SD: Okay. So PMI's guide definition of a project is a temporary endeavor to create a product, service or outcome. Well, I'm not sure about that because I think there's something very big missing there. And that is that every project is an investment in which we put in... Invest in
resources and we invest money in those resources in order to get a value out of it. Ultimately that is greater than the money we put into it. What gives us that value ultimately is the scope of the projects that we do. And if we get that scope completed faster, usually not a hundred percent of the time, but probably better than 98% of the time, the value of the project increases. We do more good faster by getting the project done faster, which is why we should be using critical path and critical path drive. Now a program.

0:07:50.6 MH: Hang on, hang on a second. I wanna jump in on the project definition.

0:07:54.2 SD: Sure.

0:07:55.5 MH: You and I have had these conversations for years now, Steve, I wanna make sure if you haven't caught some of Steve's earlier stuff, that this notion of projects as investments really is crucial. And if you go back to that PMI definition, I can't call it wrong, I just think it's grossly incomplete and focused on the things that aren't What makes project management so exciting? So for example, it says, you know, this temporary endeavor undertaken in order to create a unique product, service or result. Well, uniqueness I don't think is all that interesting and more valuable than what we just invested to get the value is much more interesting. And I think we've all seen projects that are like rinse and repeat. They're all slightly different.

0:08:39.4 MH: So you could say the outcome is unique, but in general we're trying to get the engine coming so that we get the value delivery accelerating. And it's all about the ROI there, whether you measure that in financial terms or otherwise. So I wanted to make sure the listeners are baselined on that crucial difference, that Steve for years, decades, I guess has been saying that definition is incomplete and not as useful as understanding projects as investments. Now take that to the program level, Steve.

0:09:07.0 SD: Well, before I take it to the program level, I want to say that there's been a cost, a significant cost to project management as a result of not defining projects as investments. It causes projects not to focus on two hugely important things, one of which is what is the value of the scope we're doing, what is the value of each of the items of scope? And so I created something called the value breakdown structure, okay. Which is plugging in the individual values of items of scope into those... Into the work breakdown structure. And the other factor is the value or cost of time because in most cases, again, the vast majority of cases, if we complete that project faster, the project is going to be worth more and sometimes hugely more. But these concepts sort of have been ignored even in project management. I would maintain.

0:10:06.4 KL: Let me jump in here real quick. My sense of this is a little different, even as we've said move to value. I'm not sure that projects have value in and of themselves anyway, though. And I'm actually gonna push back on it a little bit. Meaning that what's produced I think is only valuable in the context of something that is operational or what we might call programmatic. I think it's semantic as you broke down a final project output scope, the scope of a completed project, Steve, into the components. I would observe that most projects I see are producing a theme that is itself only... It is valuable, it has value. And I appreciate looking at this as an investment particularly around human labor. We are inviting people to join us in teams to take time that they are not spending in other parts of their life to do something. And there has to be a reason that that's viewed as valuable. But I believe it's frankly an input to something as their work is an input to the final project outcome. I believe the project outcome itself is often only valuable in the context of
something else. For example, when we study project management, I'll give you the simple one, we always talk about the bicycle, right?

0:11:05.2 KL: But who in the world has a project called Produce a Bicycle? There is no such project, there has never been such a project except maybe the first one ever built there is produce a bicycle design that's a project. And you could do a bunch of those over and over again, new ones and you have produce the prototype, but the rest is manufacturing. It's not a project. So producing a bicycle in and of itself is probably an example of a very rare example of something where, well, we have this one thing and it's valuable. It's typically on the context of something else. Like, I don't know. In that case it could be a change in our transportation environment as a program, I need these things called bicycles. So I wouldn't challenge a... It's not even a challenge. What I think to me about programs is, is they provide the context that make that project outputs meaningful, valuable.

0:11:55.5 SD: I think that you're absolutely right. And I should mention that a gentleman from whom I learned a tremendous amount about program management about 12 years ago, Joe Sokol absolutely focuses on that and would say that every project is really part of a program and that's where the value comes from, from the interaction with other projects within the program. I'm not willing, I've thought a lot about this and I'm not willing to say that that is true of every project. I am willing to say it's true of the vast majority. Okay. So if someone, for example, makes a piece of art a sculpture, they're not planning to sell it anywhere, but it's a project for them and clearly they're getting value out of it and it's not really interacting particularly with anything else. So ultimately I agree with you that the project itself is not going to create the value most of the time until it comes from the program level.

0:13:01.6 SD: And now you've gotten me to the point where ultimately projects within a program, the determination of which projects to choose and when to choose them is absolutely crucial within a program. And ultimately the whole program concept is completely not understood, at least in the United States. And I would say in most of the rest of the world, there's no indication to me that PMI or anyone else really understands the concept of programs. I see people use the term mega projects a lot, which is really a program. But the fact that a program is a slightly different beast from a project really I think is missed in the US. In the United Kingdom I think they have had a better understanding of this. One of the first books I read on the subject is called Managing Successful Projects, which is put out by the British... Paid for by the British government.

0:14:19.3 SD: And it analyzed programs and set out some key aspects of them, still didn't understand in that process the importance of value and the importance of quantifying the value, whether in terms of dollars or in terms of lives or in terms of, you know, kids learning how to read.

0:14:43.3 KL: So let's go with this. How would you define one and what are those... What are the elements in your definition that you perceive were missing in the states typically?

0:14:51.9 SD: Okay, my definition would be somewhat similar to the PMI definition of a program. I would say that a program is an investment of a menu, if you will, ultimately of projects and non-project work to create a result which will give the greatest benefit for the cost. Okay. And again, how we measure that benefit can be different. But what we get to now, note some of the differences here are first of all that at the start of a project, the scope can usually be defined to 98%, 99%. Yes, things may change, but for the most part we have a pretty clear sense of what scope we are going to make by the end of the project. And within that, there is often a sequence to the work, a very clear
and natural sequence that is often based on Newtonian physics. We can't put up the walls until we've built the foundation. We can't paint the walls until we've put them up. We can't put on the roof 'till we put up the walls, et cetera, et cetera. With a program number one, the purposes of the things we're gonna do, the scope, is not clear which projects are we going to do. And ultimately, if we think about it, sometimes we don't know what the later projects are going to be. So often in programs we need to start off by deciding what are the results that we're going to want to have.  

0:16:39.6 SD: And then we may do research. And of course this brings us into the public health arena very nicely because they do a lot of research on what sorts of things will result in better public health output, better public health results. And we don't know, we may not start the program understanding that, but that's where we need to add.  

0:17:04.7 KL: Let's jump in on that. Mike, go ahead.  

0:17:08.9 MH: Yeah, so to level set on PMI's definition of a program. It is a group of related projects managed in a coordinated manner to obtain benefits. So we've finally talked about some kind of return on the investment here... To obtain benefits not available from managing them individually. Now we can talk about the fact that they don't really use the word investment there and therefore there's a crucial aspect that's missed. And I would agree with that. But think about that definition here, and you're asserting Steve, that 90 whatever percent of projects in the world are just parts of programs. I would take it even further maybe and say, what project have you ever been on that didn't have to be managed in a coordinated manner to obtain maximum benefit?  

0:17:55.0 KL: What coordinated with something else.  

0:18:01.2 MH: Like multiple work streams on a project or multiple projects on a program? What's the difference? Maybe, maybe none, right?  

0:18:05.6 SD: Granted, there may be different work streams, but they're not necessarily, they're more driven, again, by the practicalities of the nature of the work scope rather than about getting benefits. People working on a project often do not need to know and don't, may not know the value of the project. I would maintain it be very nice if they did, but ultimately they may not know it. They know they have to produce this widget or a prototype of this widget. Whereas on a program, it's absolutely crucial to think about how the different parts of the program are interacting in terms of producing the value.  

0:19:06.1 SD: In other words, what I came up with, the tool I came up with for projects, which was the value breakdown structure, which is plugging in indeed the value of and/or added value of each of the items. And in a project, many of the items in a work breakdown structure will be mandatory. You have to do these or the project's not worthwhile and the second, whereas in a program, it's a little bit different. We have to think about what is the value that each of these is adding and they are adding value to each other and they're usually none or very few that are mandatory projects on a program. So the value breakdown structure, while it's of benefit on a project, is hugely important on a program. I would say that a value breakdown structure is absolutely mandatory on a program.  

0:19:55.0 MH: So let's throw a couple of examples around for our listeners if you're getting lost in some of the terms here. The classic example you gave me when I was first learning your value breakdown structure stuff, Steve, was that the house where the foundation, if you don't have a
foundation, then you're not, then you lose the entire value of the home itself, right? If you don't have a 7th bedroom, well, the first 6 bedrooms still carry quite a bit of value. That's not to say the 7th doesn't also add value, but certainly it doesn't harm, it doesn't take down the entire value of the home if you don't have the 7th bedroom. And other examples like the artisanal design to front porch could just be a staircase or whatever, right? But then you could go further in the program context and say, well, unless you have electrical hookup, water hookup, a road to reach the house, then the value of that home is dramatically lower, maybe not zero. Maybe some people would love to be far off the grid, but the majority of buyers probably would not be.

0:21:02.2 SD: Absolutely the house WBS, which also people can find on Wikipedia if they want to look it up under value breakdown structure is essentially a subset. One can only deal with so much on a diagram that goes on Wikipedia. But obviously having the piping put in, having the gas, perhaps the gas lines come in and perhaps clearing the land before you start building would have to be considered as part of it. And the house ultimately might be considered a program if we're dealing with all of that.

0:21:40.0 MH: And so in my mind, without getting lost in the differences or debating the differences between projects and programs, you can use something like the value breakdown structure to say, well, the value of the house is 200k. If we're off-grid, it might be worth a million bucks if it's actually connected to all the utilities and roads and road access and all of that. So even there is the foundation kindling, just the value with off-grid or the value on-grid. And the answer is depends. Ideally, if we're trying to maximize value we would want on-grid, perhaps.

0:22:17.9 SD: Right? And so ultimately having the water lines and the gas lines put in already there or paying initially to have them put into the, into your neighborhood would be enabling activities for getting the vast majority of the rest of the value.

0:22:40.2 KL: I got to jump in here. I'm literally looking at this personally myself right now. I'm going to have to push back a little bit on this but, and I want to move to your bigger question. So here's my pushback. Coming from an economics perspective, I disagree with the statement a house not on the grid and a house on the grid are, except an investment is always a gamble into the future. So adjusting for risk are the same price, same value. Because as I just experienced you have to pay to pull that electricity to the road and from the road to the house to get the city to put the water from all the way up through the road and into the house. And that price differential is what's baked into the increased value of the house. So you have to net it against cost. You're making an investment gamble that over 20 years you're going to throw off a lot more money with that in the form of rentals or values of the utility of living in the home. So I want to be careful because to me, the house is not a program. The house is a product that is produced through a series of projects. Because of my definition of a program, and I see two different ones popping out here, in a sense, a program here has to have a different view in my mind. But the program, wouldn't it be the electric company bringing to their community electrification to all of the areas and neighborhoods.

0:23:56.2 KL: Of the tax base that supports them? Isn't that the program which is done through a series of both projects and operations? In other words, for me, when I'm teaching programs, I have a couple of things that I tell people that I think speaks to what you were saying before around the healthcare issue and emergency response issues. For me, programs is where it's at because that's where value is actually captured. The key is that someone can identify the capture of value. That the value that is returned to someone that is actually captured, not declared or declined, but actually
captured.

0:24:34.6 KL: And that's the role of a program manager to be able to capture the value and secondly, report it to the stakeholders that invested in it. You actually, literally have to be able to show something you can report. And then, thirdly, I would say projects produce outputs, programs produce outcomes, outcomes defined as changes of condition. It's something that is a different condition. A house, to me, we're into the semantic level, but to me, the more interesting thing would be electrification of neighborhoods that enable different projects to be launched called mobile-houses, which may or may not attach to that electrification for adjustments in value for that particular product. Right?

0:25:13.7 KL: So what I'm getting at is I understand that we have even within tasking, we have breakdowns. We can keep saying they're breakdowns, but I think what you're hearing me say is programs are more than a compilation of projects. I'm not sure that I define programs as multiple projects because of what you said in, I'll give another example, emergency response, because I think where you're headed was when you said knowing which projects and when to launch those projects is getting to saving lives in a different way. Right? We're counting lives and that's that lens that's been missing. I'll give the example of the earthquake, for example, or healthcare broadly. So I was wondering if you could go there with it. I mean, we may have some different push and pull on these definitions, but I think it's something about the inter-operations or the intersection of these different related but different activity sets that produce different products outputs. That's what's making the value that you're seeing as missing.

0:26:13.6 SD: Okay, just want to ask you something. When you said I forget your exact wording, that ultimately the program is where you're sort of cashing the value of the investment...

0:26:26.3 KL: Capturing it. Yeah.

0:26:28.7 SD: But aren't you cashing the value of the house that you build also, yet you're categorizing that as a product, yet if you build a house and you sell it, you're actualizing that value too.

0:26:41.9 KL: Yeah, I think you can also, at the project level, back to my bicycle example at the beginning, I think it is possible, but I think the value of a program is because you have a broader picture that captures a change in condition ultimately. So it's not about a house and its value. It's about housing that people live in a safe space. I have now declared a space of one and a half of an acre, and I have clean water, and I have electricity. My family can be raised inside four walls, and I'm not subject to the weather. That's the interesting aspect of that. That drives value. And so to me, it's about the change in outcome ultimately, and the interaction of the elements that cause that.

0:27:17.0 SD: And that's sort of why I have become very interested in program management at this point.

0:27:23.8 KL: Well, talk to me about it in your idea about this. Which and when, which parts, which projects, and when to roll them out, because that's what you kind of opened with.

0:27:32.0 SD: Okay, so let's take the example from my chapter in that handbook of Emergency Response. Following an earthquake in an area, what are the steps that need to be taken to save the
largest number of lives? And in looking at that, there are certain things that can be done simultaneously or in parallel, and certain ones have to wait until other things get done. One of the things that can immediately be done, or I think it can immediately be done, is shutting off the gas to all of those areas that have been affected to stop fires from breaking out.

0:28:16.5 KL: Let's be more, specifically shutting off the electricity lines in Hawaii when the winds blow high.

0:28:22.0 SD: Great example. Okay, absolutely. Now, the second step, however, clearly, is going in after an emergency situation like this is to get control of the situation. What we don't want to have is looting. We don't want to have people getting shot. And ultimately, that's a hugely important thing. If we think back to post Katrina, right, that's something that you, until you do that, until you get, as they would say, the boots on the ground and start controlling the situation, then we can't even bring in doctors and nurses and ambulances and all the other things because those people may be in danger.

0:29:15.4 SD: And they're not going to want to go in there if they're going to get shot at. So there is a certain logical sequencing which is not based necessarily on again, it's not of the type, you got to build a foundation before you can put up the walls. It's what's the best way, the fastest way to get these services in there after something like that. And in any program, what we need to be looking at is what are the possible tasks that we want to do? So we're still identifying these tasks as we would with any work breakdown structure, except now they're more than tasks, they're projects. And then we have to look at the value. And again, this is something that's not being done on projects. The value breakdown structure still to this point hardly exists. There are people doing it.

0:30:14.7 SD: Interestingly, I never saw this coming, by the way. It turns out that the area, the sub-area of project management that has adopted value breakdown structures much more than any other area is Agile. And the reason is, I suspect, that although certainly PMI does not seem to understand this, every Agile project...

0:30:44.2 KL: And Mike, you were onto something earlier when you said, I read his LinkedIn article and it might have been evidence of clickbait. So now we're not just pissing off project managers, program managers. We've opened a can of words of Agilist-as. Now to jump in on everything. Mike, you have to have some thoughts there.

0:31:43.0 MH: I think what Steve just described can certainly be true in cases where every Sprint is producing a potentially shippable product, which is sort of core to an all Agile value system. However, I think the majority of the real world environments I've seen that apply Sprints. Oh, and a little side note, everyone equates Sprints with Agile. Sprints is just part of Scrum, which is one of many Agile methods. So not all, yeah you could do Agile without doing Sprints, which is like mind blowing to some people. But if you are using Sprints, the likelihood that you're going to be delivering something of value every two weeks that somebody's actually going to use and find value in and maybe pay you for, I just don't really see that as often.

0:30:58.0 MH: I think the notion that we still have to coordinate multiple work streams, often with multiple teams, to arrive at something that is massively valuable and far exceeds the ROI of any of the individual work streams or projects or releases or whatever you want to call it, I think that's still true no matter what method we're applying. And that's, in my mind, the key to this conversation,
right? That whether you love PMI's definition of project and program or don't, whether you love value breakdown structures or have no idea what they are, at the end of the day, we're talking about coordinated effort across multiple lines of activity across multiple specializations, multiple points in time that all have to be synchronized for maximum benefit. Maximum ROI, whatever you want to call it. And I think that's the interesting part about where Steve's bringing us today.

0:32:35.7 KL: Well, I think it opens the door to the next statement then, which implies choice, or as I think I heard one of you say, optionality. And there's the duel.

0:32:45.5 MH: Choice optionality, but also intentionality. I think we were chatting earlier, Steve, about the example of the COVID response in the early days, long before the vaccine was available, and the inability to get testing out to know whether people were sick, the inability to get personal protective equipment out to our healthcare providers. So now they're at risk and if they get sick they obviously can't really help anyone. If you could do a big lessons learned on that and say well, next time we have something that is an airborne, a virus that's communicated through the air or through vapor droplets from your breath or whatever, that's a pattern that's existed in many pandemics in the past.

0:33:24.2 MH: I doubt we've seen the last of them. Hopefully humankind will continue on to tackle these challenges when they come and when they come the lessons learned are we have to have PPE there first. The result of that project at scale has to be there the notion of effective testing being developed and in use as quickly as possible, which of course can't always be started until you know what kind of virus you're dealing with. But we certainly know ways to accelerate it and get it in place pretty quickly given what we just did in COVID and then all the other measures that have to be coordinated as work streams across lots of different people and I'm using the term work streams on purpose.

0:34:05.0 MH: It could be projects, it could be multiple programs, it could be all sorts of stuff. But the point is the sooner we get this stuff coordinated in a logical fashion to giving us the best possible outcome of minimizing deaths then the more we should apply this with great intentionality.

0:34:24.5 SD: Absolutely. To go back your, to the point you made initially which was there are all of these work streams and all of these things that have scopes that are interacting on an Agile program makes it a program again. So to me what you're saying is confirming that these would be programs even if each individual Sprint or project or whatever you want to call it is not producing value in and of itself and may never get used. That's one of the things that happens on programs. Sometimes you do stuff that doesn't work and that's the biggest issue to me. The biggest difference between programs and projects is that on projects the scope is sort of a given. The project manager has a fairly clear idea of what it is we're going to want to have and to create that widget or house or whatever it may be. With a program the scope is completely optional and we have to decide what the best scope is in terms of the value which drives us towards value.

0:35:39.3 KL: Hold on a second mike, this hadn't be firing in your brain because now I just heard we got elements that may not get used and Steve gave the example of because things don't work. But I'm thinking of you in a certain three letter starting with T and ending in C comment that if we start looking at this macro level we may want projects that produce things that give us over capacity, I mean I'm just suddenly realizing it's the TSC blowing up to the next level. Right. There may, in fact, be things I need, and I'm going with this, Steve. It might be that we have radios that we
don't end up using at the delivery, although that's more of a delivery system than it may be a
project, but maybe we install some sort of emergency response in some portion of a community that
ends up not actually getting used. But we don't know that until we put it in place, right? Because
we're trying to protect some other desperately needed thing to make sure it can arrive. I don't know.
Mike, what do you think about that?

0:36:31.4 KL: Programs may have projects or operations that are actually not used, not just
because they fail, but maybe because I need over capacity.

0:36:38.3 MH: You're making me think sort of on the fly here, so let's have fun with it. The notion
from the theory of constraints that you want to look at things as a system, I think is very consistent
with what we're talking about today. Yeah. The notion that we might not have a stable system.
Certainly if we're trying to respond to an emerging pandemic, we can't really say we have a stable
system yet. We don't know what the shortest path to saving the most lives is going to be really yet.
We have to try lots of different things, because you know what? We might find out halfway through
developing all sorts of great testing that everyone's already infected anyway, and we just have to
assume everyone's infected and the value of the testing has gone to almost nothing. Right? So
maybe we abandon, it was a great idea to start it. Certainly was a great idea when we did it in the
early days of COVID and tried to get that accelerated. It might not be the case halfway into a
pandemic that's available at all.

0:37:34.6 KL: Hold it. I'm going to put a pin there. That's what I meant about capturing value. The
way we have often talked, and even, Steve, as I followed your logic in the years that you've been
talking to me and teaching me on this stuff, is that it's an investment means you think it will have
this return, and therefore I need to get into the Golden Triangle and accelerate, because that is the
plan. Damn it. That's what the executive said I was investing in. Right, but the reality is you could
be in the middle of something in a program where you find out, I cannot capture the value here. The
project worked, the product works, the interactions work, and they don't value because there's
nothing for me to capture. And I think that's the pivot problem. Continue.

0:38:15.5 MH: It ties right into our example where if we think there's a reasonable chance that
having an effective test deployed at scale could be viable, we should absolutely devote resources to
it. Right?

0:38:26.9 KL: Until you find out it now isn't...

0:38:29.1 MH: Till we find out to the contrary. And you know, in Steve's book, managing Projects
as Investments, he gave an example of what was then a fictitious pandemic and a program that had
been launched that included all sorts of things to get control of the pandemic. And this was like
thinking a pandemic isn't here yet, but there could be risk that it might come. Therefore it'd be
prudent to do some R&D on it and get some of these things like a vaccine or whatever produced in
advance in case this becomes a real problem. And then in Steve's example, if you'll allow me to go
in, Steve, you said, one of the projects was a training project because there were special
qualifications that had to be met to administer the vaccine properly.

0:39:11.6 MH: But then later on, we find out the pandemic is actually here. And it might take a
month or more to get everyone trained properly to administer the vaccine well, and the lives saved
by waiting or the lives lost by waiting would be far greater than the lives lost by a poorly
administered shot. And so we should kill, once we learn that, if that's where we find ourselves, we should immediately kill the training project in order to achieve the maximum possible benefit given where we are today.

0:39:43.8 SD: I wish that everyone who read my book not only understood it as well as you, but remembered it as well as you. Yes, absolutely. We are human beings. We are going to make mistakes. Program managers are going to make mistakes. Governors and presidents will make mistakes. But ultimately, we have to do the best we can with the information that we have and with the training that such people and that an analysis that such scientists can bring to us.

0:40:15.9 KL: There's one other factor here if I may continue this, Mike, which is the one in the emergency response book again that I mentioned. If you can, don't do work and don't invest in projects and in work until you're going to be able to use it. And the example I use is this guy named Leonardo who came up with this, did research, maybe came up with this wonderful invention called a parachute. And it basically was unusable for 400 years until the Wright brothers came along, after the Wright brothers came along. So ultimately, we don't want to be doing projects with any program in the wrong order or at a time when they're not useful. So bring in a triage station before we've gotten control of that area after the earthquake doesn't make sense because those people coming in as part of the triage station may be shocked. Going in and doing certain things in a pandemic where the only result may be that the people who are responding to the pandemic are going to wind up maybe dying, or maybe even worse than dying, spreading the disease to other places is something we want to make sure doesn't happen.

0:41:43.7 KL: So ultimately arranging the projects, arranging the scope we're going to do in the way that's going to give us the most benefit and the least harm is something that that program team and or program manager has to determine in putting together the plan. And that again requires looking at value and that's the value breakdown.

0:42:08.3 KL: Yeah, and I think that's where I wanna go now is why you think this is missing in what I think of programs, the kinds you're describing, they seem to be more large scale. Like they could be federal or state or county level implementations of things, but that doesn't necessarily have to be the public space I guess. But I'd like to find out more about what you're thinking hasn't happened. I like the fact that you're anchoring it around calculating the value, understanding the value as the outcome that we have to do because Mike, when you were talking, I was reminded of some earlier discussions we've had with guests around some cost fallacy. So there I was investing in the training or the testing or whatever became no longer valuable, which is why I focus it on you have to capture the value to understand and get the value, not just declare the value.

0:42:53.3 KL: And the other one is escalating commitment. Well, we put the plan in place and we are showing we are getting something done and we know that these are two policies that we have in the sense that once we get started, we tend to wanna keep going. Anchoring it to value, I think causes you, I'm assuming Steve is something where you're to reevaluate constantly tying it to we need value and we have optionality, choice, intentionality. It sounds like that feedback loop and the commitment to reevaluate, getting the information and committing to understanding the information is gonna be very important. Is that what you are contending tends to be missing or is it something else?

0:43:26.9 SD: Okay, in terms of things like public health, the whole ball of wax is missing. I mean
people up there at our universities, at our best universities are doing research all the time on various aspects of public health and ultimately on things that might improve public health. But these people are not trained in project management. Nevermind any program manager. They could not identify a critical path if their life depended on it. They have no idea of these things. And the way I've described it fairly recently is that in terms of something like public health, the program and the projects are the locomotives that deliver the benefits of the public health research. Without those programs and projects, we are not getting benefit out of the, or we're getting the less benefit out of that research. And so we desperately need to be training our public health professionals or at least a large core of our public health professionals in terms of how to deliver these benefits of their research.

0:44:49.8 KL: And that's programs and projects. So that's item number one. Okay. Now I'm sorry, the second item that you asked me, the other item that you asked me about was...

0:45:01.1 KL: Feedback loop.

0:45:05.6 KL: Absolutely. In terms of my original ideas going back now 30 years, I use the term expected monetary value. Okay? And that's hugely important as far as I'm concerned. Now in projects, we get more into value, but at the same time, we don't know what the value is going to be. We may have a guess, we should be doing research, but ultimately, we aren't sure and we need to be checking that. Now there's this concept that's very important within the United Kingdom's approach managing successful programs approach, which is something called a tranche. Tranche is a French word that means slice, but it also has a meaning in terms of investments. And you can have do not just one project, but a tranche of projects within programs.

0:46:00.4 SD: So you do several programs at a time in parallel and then you wait to see what the results of those are checking as you go along, does this seem like it's going to give us value? And then doesn't, we may, may kill it, but we look at that and then when we are ready, we may launch another tranche of projects within the programs to ultimately get to the benefit that we want to get.

0:46:27.9 KL: And this makes so much sense to me because you know, the traditional method of, well we do annual budgeting, so let's hear all your great project candidates guys. 'cause once a year, we're gonna decide which ones to approve and which one not to. And every single organization I've ever worked for or consulted for comes up with some idea that's not aligned with that annual cycle, and it might be a great idea and it deserves to be explored sooner rather than later. And it can have all sorts of kindle value, for all sorts of other initiatives you're already doing. And there's gotta be a way to have the organizational agility to throw a tranche and that initiative and rebalance things if you have to take money from elsewhere, perhaps according to what will give you the biggest bang for the buck.

0:47:14.2 SD: Absolutely. It's sort of like if you're playing a game of Texas, hold them. Guess what? The next card may change everything. If the next card that shows changes everything, you've got to abandon what you did with your ideas earlier, which made perfect sense earlier. There's something else I wanna mention in terms of this that I think is very important and that's a concept of an enabler project within a program because people don't even understand enabler projects. If we have a program that's worth $10 million and we have a project within that program that everything else is depending upon, what that may be, finding a vaccination, whatever everything else is depending on this one project, that project is an enabler project and it is worth typically the entire
value of the whole program or very close to the entire value of the whole program.

0:48:17.1 SD: And people don't understand that. Often enabler projects are relatively small projects, small in terms of budget and so on. But until they get done, we cannot do the rest of the project. So it's delaying our critical path through a program. And by the way, just as project have critical paths, so do programs have critical paths. And the second aspect is that they're small budget but huge in terms of the value that is waiting on them, that is waiting to be kindled by the completion of this enabler project. And yet, one of the classic examples is a company is coming up with a new game system, a game platform. They're gonna make all their money off of the games that they sell, that run on this platform, but the platform, they're basically giving it away or giving it away at cost because their whole thing is to get it out there and everyone else be buying the games, but frequently, they don't then resource and accelerate the speed of that platform because they thinking, oh, this game is gonna be great, that game is going to make millions for us.

0:49:36.1 SD: Kids are gonna love it, but they don't realize that until that platform is completed, none of the rest of this stuff can happen. And their attitude often becomes, we're not gonna make much off this platform anyway. Let's concentrate on the gains. That's where the money is. And it's just a total lack of understanding of the nature of a program. By the way, one more thing that I'd like to mention about programs versus projects, with projects, the value comes at the end of the project typically, and it may go on for a long time after the end of the project, but it doesn't start occurring until the project is finished. With Programs, With Each project comes along, we're also adding value to the program.

0:50:28.1 KL: Yeah, I wanna come back on something though. I don't think you're, or make sure I understand the gaming example you gave, I think you may just have hit the value or a way of understanding enabling projects. They absolutely should give away the platform. That's brilliant, right? The platform has huge value but low return in it. It itself is not valued by its price. That's kind of what I was going at earlier guys. The pricing in the market is not actually particularly relevant. What matters is what it causes to happen, a change in condition.

0:51:02.3 SD: Absolutely.

0:51:03.1 KL: That's what actually is gonna matter. And you get to rack all that in there. And then I'm gonna push one more thing before I ask you my last question. And Mike, you'll have a last response. I believe both of you, you said as shorthand. So I am not critiquing you, but I'm highlighting something of interest to me. You talked about earn expected value, expected monetary value. Mike, you used the classic bang for the buck comment which is understandable in the shorthand, but something coming from my public service background, something I'm intrigued by and using the examples you gave in public health disaster recovery and things like that is, we don't wanna use ROI on these things. And while I recognize that we could go through in the face of a pandemic and monetize people's lives per the legal system and do all that and figure out what this actual economic value is, I believe that one of the key things I go back to how I was teaching program management, it's about understanding the benefit as a change of condition. You have to know what you value. And I believe programs have a particularly interesting opportunity, not all programs, those that are implemented in the public space, of identifying, not return on investment, but return to mission.

0:52:13.2 KL: And the question becomes, what is the mission of the intervention that we're doing
now? Is it save lives? Is it reduced time spent in hospitals? Is it better housing after the, better protection from the rain after the earthquake? Like the definition of what is expected and needed, which may also shift is what's so important before we have worry about the feedback loop and the analysis that allows optionality for me to get the right tranches in place. And I think that's one thing that's missed. And certainly in the public sphere when it goes, I won't even use the word politicized, just when it goes to the larger market, someone says, I'm hurting this way, I need this thing. But the purpose of the program might've been to maximize the different value completely. So we're back to communications and stakeholder management, which I know is a shock to everyone in project management that we ended up there.

0:53:04.7 KL: But I do wanna highlight that I think one of the biggest things that rafts around where programs have an opportunity to get to this is it may be something beyond the dollars by those who own the planning, the program management team, the program manager. It may be something that is not strictly expected monetary value, bang for the buck return on investment. And that's important and I love how you framed it 'cause it doesn't contradict anything you guys have said. I'm just saying I think there's this other picture that it, it's still applies to that's so important. Mike, I'll give you a comment, anything you want there, and then I'll ask Steve one last question before we roll off.

0:53:39.5 MH: Yeah. I think just being very deliberate about how you think through this, even if you're not an expert, even if you've never done a value breakdown structure before, et cetera, to start to understand that the concepts apply and in what way they should. And I think this notion of like the next pandemic, we should have personal protective equipment available to our healthcare providers as the very first project, if not, or the very, one of the first few, if not the first, right? And I think that's to these patterns exist, and to get ourselves organized in advance and maybe even executing them in advance or giving ourselves that optionality that testing might be valuable. PPE almost definitely will be valuable. All these other things could be valuable. Let's have them all ready to go or ready to spool up and kick off. So that we can then do the tranche as we work through the options, as we work through the realities on the ground, as we think through what should come first, second, third, how do we do the synchronization with those five other teams over there or across regions or countries or whatever?

0:54:48.5 MH: All of those synchronization challenges are all part of this too. And so then the more, as Steve said, we can get our healthcare professionals and other the people that are in really crucial positions to drive really meaningful outcomes to turn this into a discipline that you actually start thinking through. In my mind that's the hope for takeaway of this session.

0:55:06.0 KL: Thank you. And Mike, Steve, I want to come back to you now for not so much a wrap up on that, but I look forward. So you're applying your brains to this. You're using some of the skills you've talked about, we kicked it around here a little bit to see what you might be thinking about all that. You've made some claims on project managers not really understanding all of the value of programs or understanding at PMI, not also that maybe in some of our research or academic environments where they learn a lot about things that we need as a society or as a group. They need that project and program management experience. So there's a lot of claims on insufficiency in our market right now. Where is it that you see yourself heading next to help probe or change this? What outcome change would you like to be part of? And how are you looking at doing that next so that your followers can follow?
Well, I'm at a stage in my life where I don't have to take work I don't want to do. So that's a very nice feeling. I always love consulting. So if particularly anyone wanted to call me in to consult on a program which was going to save lives, especially, I would love to do that. I would love to get involved more. I've bought lots of stuff at six or seven different universities, graduate courses, undergraduate courses and project management and so on. I would love to be teaching program management at in graduate schools. And finally, there's one more thing I really want to add, which was at the start of when we were discussing this, you are saying, where do I want to go and what do I know and what do I not know? And let me say right now even about project management, I don't feel that we, and I say, oh, the whole discipline really passed by any means, exhausted all the knowledge that we need about project matter. It's just absurd me that the software packages don't even allow you to calculate critical path drag or put in what is the cost of dying or build a value breakdown start. I think program management is even more desperately in need of exploring. I learned stuff from both of you about program management here the last hour. Very grateful to you.

Well, thank you for that. I appreciate that comment. And also that sounds like a business opportunity for some of our listeners out there. So there we go. It's a wrap on this for us today. Hey, everyone listening in, you can follow Stephen Devaux, that's with a PH and E-V-A-U-X on LinkedIn. He's hard to frontline otherwise, you gotta catch him on LinkedIn has been my experience, but he is up on LinkedIn. He does post and he does direct people that to resources. So there's the place to go and catch him. And with that, I think we're ready to sign off. Gentlemen, thank you very much for stepping in today and bringing forward a walk in a new direction. So thank you Steve, and thank you Mike.

Thank You so much, Kendall.

Thanks Mike. Bye.

Bye-Bye.

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