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The nature and level of leadership on a program designed and launched to transform the entire business or significant parts of the business are primary determinants of the program being successful by achieving the intended business goals. Given organizational matrices, work complexities, and corporate politics, the program management team personnel rely heavily on their leadership traits to deftly guide issues and manage risks through multiple organizational levels and across functions. Leaders can model the behavioral changes needed to embrace the changes the program is driving.

Leaders should effectively articulate the benefits of the transformation program to stakeholders and get them on board. By their very nature, transformation programs are complex and aim to make significant changes to the business. Without a multidimensional, multilevel leadership and cross functional leadership, the program will inevitably be a total failure or will not accomplish all the strategic business objectives. Program management plus program leadership are critical success factors for facilitating work integration, stakeholder engagement, objective alignment, organizational change readiness, and benefits realization.

The following topics are described in this chapter with the help of supportive illustrations, including a real world case study:

- Multilevel program leadership model
- Multidimensional program leadership model
- Program leadership and risk mitigation
- Transformation program leadership: Planning and delivery stages
- Leadership of program management processes
- Program leadership versus program management
- Balancing program leadership and program management
• Program leadership through office of business transformation
• Drivers for the office of business transformation
• Significance of leadership in program communications
• Benefits realization leadership
• Case study: Business transformation initiative on privacy and compliance

The lack of leadership structure on a transformation program or one with voids in program leadership skills jeopardizes the mission of that program. For a complex program to be successful in realizing the program vision, achieving business objectives, and delivering the targeted business outcomes, the need for proactive leadership through the course of the program is critical. As the program team will confront cross divisional and cross functional barriers and challenges, the program management team has to determine the leadership needs and put in place multiple leaders in the early stages of the transformation program. Program leadership is needed at multiple levels, in numerous areas, of different styles, and in varying levels of involvement to successfully chart the course from current to future state, which results in major business change. Leadership in stakeholder engagement and securing stakeholder buy-in will ensure that the expected program outcomes are realized at each phase of the transformation program.

MULTILEVEL PROGRAM LEADERSHIP MODEL

The program organization model lends the structure and governance needed for a business transformation program to transition an organization from its current to its desired future state. Figure 5.2 in Chapter 5 is an example of a program management model. The designed model needs to be socialized and communicated to get the buy-in of stakeholders and raise awareness of the decision making process. The pictorial program organization model depicts the reporting hierarchy and forms the basis for program governance. As it is critical for all program stakeholders to have clarity in roles and responsibilities, these have to be defined, agreed upon, and communicated. For an example of same, please refer to Figure 4.2 in Chapter 4. Multilevel leadership stresses the importance of leadership at each tier of the program organization structure. In other words, leadership on complex
programs can't reside only at the highest levels of the program organization. In Chapter 5, the implemented governance and sponsorship models on a large scale business transformation initiative were illustrated. Let’s look at the leadership model for the same program (Figure 9.1). This model spells out the multilevel leadership on that successful transformation program. The scope, business context, and level of influence of leadership at each program organization level are different. For example, the program steering committee is responsible to provide leadership over the many functions involved in the business transformation and has the authority to do so. The program managers, on the other hand, are the leadership linchpins in advising, directing, guiding, and supporting the project managers who are leading specific projects with the help of the team leads. The leadership responsibility and accountability at each level is defined, and these align to the authority level for that tier. The design, socialization, and deployment of a multilevel program leadership model will ensure that the leadership needs of the program are fully met for the program management life cycle.

FIGURE 9.1
Multilevel leadership needed for success of transformation program.
MULTIDIMENSIONAL PROGRAM LEADERSHIP MODEL

Program management of a transformation initiative requires leadership over the six dimensions of the program—strategy, people, process, technology, structure, and measurement. The program charter, scope, approach, and company structure will govern how the integrated program plan is structured to address all of these six dimensions. The multidimensional aspect of the leadership model can be understood by referencing Figure 4.1 from Chapter 4 on sponsorship. In that example, the dimensions of process, technology, structure, and people are reflected in the program delivery tracks, which run across the functions (sales, manufacturing, etc.) in play. In the scenario depicted in Figure 4.1, from a program leadership perspective, leadership is needed over the numerous program delivery tracks as well as functions.

The business change definition and impact analysis work of the program team coupled with the stakeholder analysis provides the key inputs to develop the program leadership model. The model has to line up leaders for each impacted stakeholder group, and it is best to target individuals who have the knowledge, influence, commitment, and authority over that group. All the leaders have to direct, support, embrace, manage, and champion the transformation program for it to fire on all cylinders during the course of the transformation journey. The development and implementation of a multidimensional program leadership model is essential for the transformation program to transition the organization from the current to the desired future state.

PROGRAM LEADERSHIP AND RISK MITIGATION

Dynamic leadership not only enables the realization of desired business outcomes, but it does so without the organization having to undertake huge risks. The organization’s capability to deliver the highest outcomes with minimal risks is similar to a financial investment professional striving to deliver the highest returns without betting the farm. Strong leadership identifies and mitigates the key organizational risks that can prevent the attainment and sustainment of the targeted benefits and outcomes.
Program leadership plays a crucial role in managing major program risks, some of which are listed here:

- Lack of prioritization of programs results in too many programs at the same time.
- There is opposition to standardization and a heavy push for tailored processes and systems.
- The platform for transformational change is not anchored against benefits.
- The engagement level of key stakeholders is low.
- Decision making process is slow and/or there is confusion around decision making processes.
- There are more barriers and fewer enablers to the change needed to transform the business.
- There are gaps in organizational capability.
- Simultaneous implementation of major programs leads to resource bottlenecks.

TRANFORMATION PROGRAM LEADERSHIP

Planning Stage

Top class, consistent leadership on the program is needed for the full life cycle of beginning to end of business transformation. The leadership capability needs and leadership approach vary based on the stage of the program. The focus of leadership during planning is in standing up the program and designing the foundation on which program execution will happen. At the planning stage, the leadership emphasis and direction is on finalization of program architecture, formulation of program strategy, understanding the organizational impact of transformation, and development of the program plan.

During planning, the early work of the core program team is focused on program architecture. As a recap, program architecture builds the bridge between business strategy and strategy implementation. It frames up which of the pool of strategic business objectives is targeted by the transformation program in formation. Chapter 7 expounded on the five
processes in program architecture: articulate program vision, assess current state, develop future state, create business case, and design program.

The program management life cycle was introduced in Chapter 1, and the eight processes within the life cycle are touched upon in multiple chapters. The first four processes of the program management life cycle (i.e., formulate program strategy, develop program road map, define program charter, and create program plan) embody the planning stage of the transformation program, with the program architecture work being the input to the “formulate program strategy” process. In Chapter 3, the work carried out under “formulate program strategy” process was explained in reviewing the strategic alignment technique. Chapter 2 described the program charter, and the program plan was covered in Chapter 7. Program leadership during the planning stage has to ensure the creation of a shared program strategy, program road map, program charter and program plan, and the socialization and communication of the same. The shared program strategy articulates at a high level how the program vision will be realized. The charter spells out the problem being solved, what success looks like, and how success will be measured.

The program road map is the high-level implementation plan showcasing the timeline for realization and sustainment of defined outcomes. On business transformation programs, there could be stand alone road maps for people, process, and technology dimensions, with the master road map integrating them to arrive at the high level implementation plan. The program plan is the more granular integrated implementation plan detailing the resources, deliverables, timing, milestones, and critical path. As these planning artifacts will be the basis for and drive the remainder of the program, which typically has a longer duration and a much higher consumption of program approved resources, the leadership during the planning stage of the transformation program is pivotal.

**Delivery Stage**

The focus of leadership during the delivery stage is on overseeing implementation of the program plan and promptly removing hurdles that prevent the organization from getting to the future state. The last four processes of the program management life cycle (execute program, monitor program delivery, transition to operations and close program, and sustain outcome delivery) represent the delivery stage. During the delivery stage, program leadership is key in getting the organization ready to
embrace and accept the change. Leadership in the delivery stage ensures that the alignment to program strategy is maintained as program execution progresses. Similarly, leadership involvement and agreement to any material deviations to the baselined integrated program plan is critical. Transformation program leadership facilitates smooth attainment of the future business state and sustains the desired business outcomes over time.

Leadership is needed not just from a technical business perspective, but also from a human perspective. As a business transformation program is designed to transition the business to a new future state, the impacted stakeholders have to migrate from the old to the new. Resistance to change is normal human behavior, and the resistance can be overcome to a great degree through effective leadership. The benefits of change to the organization and stakeholders can be proactively and periodically communicated by the leaders as part of their championing effort. To increase the level of acceptance at an organizational and individual level, leadership support could manifest in other forms, including sponsorship of training, coaching, recognition arrangements, etc. Regular engagement of leaders with stakeholders and their involvement in the creation of the future business state facilitates a sense of ownership among stakeholders, which is a key for acceptance of the transformation program agendas.

**LEADERSHIP OF PROGRAM MANAGEMENT PROCESSES**

Matured and institutionalized program management processes and practices are mandatory for the planning and delivery stages to make the transformation a success. In Chapter 7, the fourteen program management processes were identified. These processes are: stakeholder management, governance management, integration management, scope management, time management, financial management, quality management, resource management, risk management, procurement and vendor management, communication management, training management, business outcome management, and sponsorship management.

These fourteen program management processes cut across the program management life cycle and are instrumental in making the transformation program move forward in line with stakeholder expectations. Leadership over the execution of the early activities within each of these fourteen processes ensures that a sound strategy and approach is in place for each
of these fourteen processes. A strong, proactive leadership provides the much-needed foundation for the planning stage that was discussed earlier to be successful. Similarly, leadership over the execution of the subsequent activities within each of these fourteen processes positions the delivery stage to perform in line with stakeholder expectations.

PROGRAM LEADERSHIP VERSUS PROGRAM MANAGEMENT

Program leadership and program management are distinct. From an organizational capability perspective, both program leadership and program management are needed to realize and sustain the future state and reap the corresponding rewards and benefits. The leadership and management competencies complement one another. The program management team doesn’t need separate individuals to play these roles, and there are overlaps. The difference between program leadership and program management are spelled out in Figure 9.2. Program management and

![Diagram of Leadership vs. Management](image)

**FIGURE 9.2**
Program leadership and program management are complementary.
program team personnel have to constantly and simultaneously play the “two-in-one role” as they move the organization from the current state to the future state. There will be monumental challenges that will have to be overcome from a technical (or business) perspective as well as a people (or culture) perspective. Effective planning and execution of the fourteen program management processes by the program manager addresses the technical side of the business transformation. The program manager has to wear the program leader hat in planning and executing the unstructured work that influences the program’s team morale, behaviors, and attitudes. The integrated transformation program plan has to specify leadership related activities (e.g., team building, relationship cultivation), but the implementation of those activities requires the program manager (or program leader) to be a role model for the expected behavior. Transformation program leaders not only communicate the program vision, strategy, values, and benefits, but they also understand and effectively combat the organizational resistance to the changes being driven by the program. As ambiguities, uncertainties, and complexities are to be anticipated on a business transformation program, both program leadership and program management are needed at multiple levels to overcome the resistance to business change at these various levels and build an environment of future state adoption.

---

**BALANCING PROGRAM LEADERSHIP AND PROGRAM MANAGEMENT**

The program management team doesn’t need separate individuals to play the roles of program manager and program leader, but program management personnel need to strategically balance their efforts in planning and executing management as well as leadership related activities. The program manager must possess the leadership traits to lead a complex, cross functional business transformation program and must have demonstrated application of those traits. The lack of program leadership skills is a strategic risk to the delivery of the program. Figure 9.3 portrays the four program execution capability scenarios that typically play out in the field in the context of a business transformation program.
Scenario 1: Low capability in program leadership and program management. This scenario is not acceptable, as the desired skill set within the program management team is not at the expected level. The people/resource risk is too high for the program to succeed.

Scenario 2: Low capability in program leadership, but high capability in program management. The positive aspect here is that the process, rigor, and discipline in executing and maintaining the transformation program plan through the program management life cycle is well covered. The soft skills to manage the people side and leadership change resiliency are not at the needed level.

Scenario 3: High capability in program leadership and program management. The probability of a business transformation program succeeding is highest in Scenario 3. The program management team is well rounded and possesses the requisite skills to lead the program.
to success amidst the challenges, issues, change resistance, and risks that will be encountered.

Scenario 4: High capability in program leadership, but low capability in program management. In this scenario, the big picture thinking, change resiliency, and people dimension has a solid coverage in the context of program execution. The hard skills, rigor, and discipline in executing the transformation program plan are not at the expected level.

PROGRAM LEADERSHIP THROUGH OFFICE OF BUSINESS TRANSFORMATION

The leadership needed for complex business transformation programs is optimally provided through centralized centers of excellence, which also facilitate the use of standardized practices and leverage of best practices. In large global enterprises, it is not uncommon to find multiple such centers of excellence, and in smaller enterprises, they tend to be centralized. The multidimensional program management framework presented in Chapter 1 (Figure 1.1) is needed to solve strategic business problems and/or capitalize on business opportunities. The scope, scale, and nature of the problems being tackled by a transformation program dictate the big picture approach needed to solve the problem.

Analysis of the current state and determination of the future state typically has to be done along the three dimensions of people, process, and technology for most business transformation initiatives, as the program manager is focused on improving business results by shifting to a new operating paradigm. In large enterprises, the methods, processes, systems, tools, expertise, and best practices corresponding to each of these three dimensions get institutionalized through “management offices,” another term for centers of excellence. As enterprises may be running multiple transformation programs concurrently, the expectation is that any individual program will adhere to the management office’s guidelines to minimize program risk, avoid reinvention, and execute the program efficiently.

The program management function within an enterprise sets up the program management office (PMO) for housing and deploying program management methods, processes, systems, tools, expertise, and best practices. The domains of work for the PMO (i.e., the things that a typical PMO does) are outlined in detail in PMI’s Pulse of the Profession: PMO
Frameworks (2013) research output. Though an enterprise level PMO may exist, a PMO dedicated to the transformation program will provide program management leadership and expertise to the team working on the program. The transformation program PMO provides the overall execution leadership through the integration of the three dimensions into the program management practices. Under the leadership of the transformation program management team, the office of business transformation (OBT) is put together under the transformation program PMO to integrate the dimensions of people, process, and technology on the program. OBT comprises the following:

- **Organization change management office**: Capability to provide people leadership and houses change management methods, processes, systems, tools, expertise, and best practices. Organization change management was described in Chapter 7. The three phases are:
  - Envision
  - Plan
  - Execute

- **Business process innovation office**: Capability to provide process leadership and houses business process redesign methods, processes, systems, tools, expertise, and best practices. The high level phases to get to the innovated business process in the future state are:
  - Current process analysis
  - Future process blueprinting
  - Process gap closure plan
  - Implementation of future process

- **Technology management office**: Capability to provide technology leadership and houses technology management methods, processes, systems, tools, expertise, and best practices. On the information systems side, there are many options these days, including off-the-shelf solutions that could be cloud, hosted, in-house, or custom solutions, and the processes to get them deployed vary. The high level phases of the systems development life cycle are:
  - Requirements elicitation
  - Solution options analysis and decision
  - Solution selection
  - System design
  - Development
  - Testing
Figure 9.4 has a sketch of the office of business transformation.

- Training
- Implementation

DRIVERS FOR THE OFFICE OF BUSINESS TRANSFORMATION

There are numerous advantages to setting up such a dedicated office for a large scale multiyear program that is designed to transform the business. Some of the key advantages are listed here:

- Integrated and scalable framework to effectively address the complexity, scope, size, and business impact of the multitude of projects constituting the program
- Increased cross functional and cross project collaboration among the core program team personnel and the opportunity to build trust and strengthen relationships across stakeholders
- Reduced redundant effort by establishing and operating as an integrated team whose charter is to execute an integrated end-to-end transformation plan that supports the shared strategy
- Defined accountability for the timely planning and delivery of the various interdependent work components needed to achieve the program business objectives and business outcomes
- Leveraged learning and roll-out of continuous improvements across projects/components
- Improved operational efficiency in planning and executing the work by capitalizing on standardized approach, repeatable processes, and reusable tools
- Increased organization preparedness for accepting the future state as a result of the structural integration of people, processes, technology, and program management activities

As the transformation program PMO leads the office of business transformation, the PMO’s leadership traits play a vital role in helping the organization to implement a transformation program more effectively. In a PMI commissioned research study on strategic PMOs, Forrester Research (2013) found that the PMO leaders recognized that they had to be “part evangelist, part therapist, and part coach” in order to successfully transition the organization to a more disciplined approach to executing a transformation program.

**SIGNIFICANCE OF LEADERSHIP IN PROGRAM COMMUNICATIONS**

In the discussion on stakeholder expectation management in Chapter 8, the communication life cycle framework was introduced, which is used to drive transformation program messaging throughout the program management life cycle. Transparent, relevant, and aligned messaging by all the leaders on the transformation program positions the program in the right vein in the minds of stakeholders. One of the primary objectives of program level communications is clear, timely, consistent information to the right stakeholders. Another important program communications objective is for the right leader to engage with the right stakeholders at the right time by using the right communication method to build ownership, buy-in, and program acceptance.

Leadership in planning and implementing a robust communications machinery that delivers the appropriate communications objectives will
Provide Leadership Across All Levels

• go a long way in getting the support of the majority (if not all) of stakeholders on the business transformation charter. The higher the business impacts on stakeholders or the higher the influence of stakeholders on the program, the greater is the need for stakeholder engagement through tailored program communications. Communications leadership will minimize the speculation around the organization and the individual impacts of the program and avoid derailment of the transformation program’s strategic business objectives. Figure 9.5 provides a proven template that can be used to plan and implement program communications and monitor the attainment of communications outcomes.

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<th>Communication Requirement</th>
<th>Communication Plan</th>
<th>Key Message to Communicate</th>
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FIGURE 9.5
Leadership in transformation program communications.

BENEFITS REALIZATION LEADERSHIP

The importance of leadership around the fourteen program management processes was touched upon a bit earlier in this chapter. Business outcome management is one of these fourteen processes that runs end-to-end across the program management life cycle perspective. The business outcome management process will define, plan, execute, monitor, and transition the activities associated with the delivery of program outcomes and realization of program benefits. As the ultimate success of a transformation program hinges on the realization and sustainment of the expected benefits, leadership of the business outcome management process is critical.

Benefits realization leadership will ensure alignment on expected benefits, provide the needed transparency to stakeholders on benefits realization status, garner continued support of stakeholders, and keep
the core program team motivated. Leadership involvement, oversight, and ongoing support over benefits realization definition, sponsorship, governance, planning, and monitoring are needed. The definition and delivery of objectives, outcomes, and benefits may necessitate negotiating with numerous stakeholders. Experienced leaders possess the soft and hard skills needed to prioritize objectives, outcomes, and benefits. The disciplined management and leadership of the benefits realization related activities by the program management team are a strategic imperative.

---

**Case Study: Business Transformation Initiative on Privacy and Compliance**

**CONTEXT**

A global computer networking company with hardware and software solutions wanted to be the first market mover in embedding privacy and security protection in the solutions it offered to customers.

**BUSINESS PROBLEM OR OPPORTUNITY**

The well established and publicly traded company with a matured product line had risk exposure from privacy vulnerabilities. The company did not have a dedicated organization that took ownership of privacy matters, including rapid response to security breaches that exposed private information. The primary sources of risk exposure to the company in the current state were the inadequate privacy policies and inconsistent privacy protection practices.

The uncertainty on the definition and evolution of consumer privacy regulations in the United States and how the U.S. regulations would compare to those of other countries posed a challenge in determining which technology standard to support. The ever-changing technology landscape with constant influx of new products that protect privacy as well as create privacy vulnerability added to the threat faced by the computer networking company. The company was keen on exploring whether a good market opportunity existed for it to develop and offer a stand-alone consumer privacy protection product.

**SOLUTION**

The team contributing to the privacy protection initiative established an end-to-end privacy compliance program. The role of “Chief Privacy

Officer” was defined, and this role was the single point of accountability for all privacy matters. The program team developed a multilevel leadership model to facilitate planning and implementation of rapid risk reduction projects to counter privacy vulnerabilities. As the privacy compliance program was designed to address privacy from multiple perspectives (strategy, people, process, technology, structure, and measurement), a multidimensional leadership model was implemented.

The lack of a compliance culture at the computer networking company required highly visible leadership for the business to transform to mitigate risk of privacy vulnerability as well as seriously explore if a market opportunity truly existed for the company. The leadership in the planning stages of this business transformation resulted in the development of the company’s privacy policy, privacy protection strategy, privacy compliance road map, and privacy program communications plan.

**Business Outcomes and Benefits**

The creation of a dedicated function to take care of privacy matters was a significant business outcome for the company. An intangible benefit was the organization’s increased awareness of risk exposure from privacy vulnerabilities. The steps taken by the company to develop and implement a privacy policy and privacy protection practices mitigated the risks. The highest level leadership commitment and leadership at multiple lower levels resulted in the successful launch of the privacy protection initiative at the computer networking company.

**Summary**

The complexity of business transformation programs requires cross functional, cross dimensional, and cross project leadership to realize the program vision and sustain business outcomes. The significant business change initiated by a transformation program heavily impacts a large number of stakeholders at different levels and affects the organization as a whole. Leadership in analyzing and communicating the impact, reinforcing commitment to the needed support, and sharing the benefits of transformation program is paramount. Leadership over the development,
implementation, and communication of a comprehensive support strategy to counter the change impact is essential to increase the acceptance rate of the program among the impacted parties.

Leadership behavior has to permeate through multiple levels of the transformation program organization and not just at the level of the executive sponsor or the steering committee. Leadership on the technical and human side is essential for the entire duration of the program management life cycle. The office of business transformation provides an integrated leadership model that facilitates getting the right quantum of leadership to all of the dimensions of program management. Program leadership—or a lack of it—can make or break a program devised to transform a business.

REFERENCES
