PROJECT AND PROGRAM MANAGEMENT

Program, Portfolio and Megaproject

Flyvbjerg · Morris · Pellegrinelli · Turner

PAPER 03 / 03

A Furtherance reference compendium on the intellectual traditions behind organisational design, leadership, execution, and culture.

> **IN THIS PAPER**
> The series closes at the largest scale – above the single project, where programs, portfolios and megaprojects live, and where most value and most failure are decided. The question it answers: why do big undertakings fail so predictably, and what governs success beyond execution?

Flyvbjerg supplies the hard evidence on why megaprojects overrun; Morris shows success is set at the front end; Pellegrinelli defines program management as its own discipline; Turner governs the portfolio, ensuring the organisation does the right projects, not just does projects right.

Bent Flyvbjerg Megaproject Management, 2003–

Megaprojects · forecasting and bias · Oxford

CORE THESIS

Megaprojects follow an **iron law**: “over budget, over time, over and over again”. The causes are **optimism bias** and **strategic misrepresentation** – planners systematically underestimate cost and overstate benefit. The remedy is **reference-class forecasting**: predict from the actual record of similar projects, not the inside view.

FRAMEWORK

Idea	Meaning
The iron law	Big projects run over budget, over time, under benefits
Optimism bias	Genuine underestimation of cost and risk
Strategic misrepresentation	Deliberate under-costing to win approval
Reference-class forecasting	Forecast from the outside view – real comparable projects

METHODOLOGY

Large empirical databases of hundreds of major projects across sectors and decades.

SIGNIFICANCE AND CRITIQUE

The definitive empirical account of why big projects fail, and reference-class forecasting is now used in public policy. The critique: the emphasis is on cost and failure, and the relative weight of bias versus deception is debated.

Peter Morris The Management of Projects, 1994

Project scholarship · the critical front end

CORE THESIS

Project success is determined largely at the **front end** – shaping, defining and aligning the project before execution begins – not by delivery mechanics alone. The discipline over-focused on execution and neglected the wider **management of projects**: strategy, sponsorship and context.

FRAMEWORK

Focus	Why it matters
The front end	Definition, requirements and alignment set the ceiling on success
Management OF projects	Institutional and strategic context, not just execution
Sponsorship and requirements	Weak definition upstream dooms strong delivery

METHODOLOGY

Research and practice on why major projects succeed or fail, across their whole life.

SIGNIFICANCE AND CRITIQUE

Shifted attention decisively to the front end, where most value and risk are created. The critique: the argument is more conceptual than a step-by-step method.

Sergio Pellegrinelli Program Management, 1997–

Program management · benefits and change

CORE THESIS

A **program** is not just a big project. Program management coordinates related projects *and* organisational change to deliver strategic **benefits**, and must handle **emergence and ambiguity** rather than assume a fixed plan.

FRAMEWORK

Distinction / type	Meaning
Programs vs projects	Benefits and change, not just deliverables
Portfolio programs	Loosely related initiatives grouped for efficiency
Goal-oriented programs	A coherent push toward a strategic objective
Managing emergence	Steer benefits and stakeholders amid uncertainty

METHODOLOGY

Research distinguishing program management from project and change management.

SIGNIFICANCE AND CRITIQUE

Established program management as a discipline focused on benefits and strategic change. The critique: it overlaps with portfolio and change management at the edges.

Rodney Turner Governance of Project-Based Organisations

Portfolio governance · doing the right projects

CORE THESIS

At the top sits the **portfolio**: the organisation must select, prioritise and govern the right projects and programs so that they align with strategy and realise benefits. Governance ensures the firm does the right things, not merely does things right.

FRAMEWORK

Level	Question it answers
Project	Are we doing this project right?
Program	Are we delivering the intended benefits and change?
Portfolio	Are we doing the right projects, aligned to strategy?
Governance	Are sponsorship, selection and benefits properly overseen?

METHODOLOGY
Academic work on the governance of the project-, program- and portfolio-based organisation.

SIGNIFICANCE AND CRITIQUE
Systematised the scaling of delivery to portfolio governance and benefits realisation. The critique: governance frameworks can add oversight cost if not tailored.

A NOTE ON EVIDENCE
A caution that turns on the reader: the optimism bias Flyvbjerg documents applies to your own plans too. Business cases are routinely too optimistic on cost, time and benefit – so forecast large initiatives from the outside view (comparable past projects), separate honest error from advocacy, and govern the front end and the portfolio before trusting any single plan.

Synthesis

Contribution	Scale	Key idea	Evidence
Flyvbjerg	Megaproject	Iron law; reference-class forecasting	Strong; large datasets
Morris	The front end	Management of projects	Research + practice
Pellegrinelli	Program	Benefits and change	Research
Turner	Portfolio	Govern the right projects	Academic

FOR THE OPERATOR
At scale, delivery success is decided before execution and beyond single projects – megaprojects fail predictably without an outside view (Flyvbjerg), success is set at the front end (Morris), programs deliver strategic benefits not just outputs (Pellegrinelli), and portfolios must be governed to fit strategy (Turner). For the operator: govern the front end and the portfolio, forecast from the reference class rather than the plan, and manage for benefits, not just deliverables. That closes the Project and Program Management series.