



The **vision**
to stay ahead

**MSP[®] v PMI Programme
Management - which one is
for you?**

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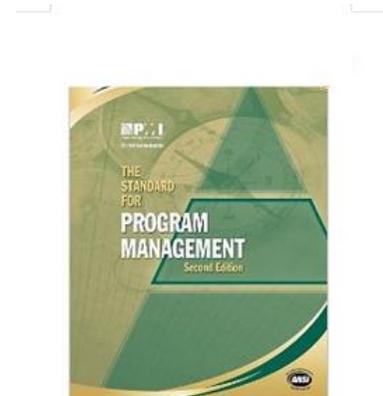
1 Introduction

In many markets there is a debate about which of the two programme management frameworks should be adopted, in this article we take an objective view of each of frameworks and compare their relative strengths and weaknesses of the MSP® and PMI approach to programme (program) management and intended as a guide when considering the relative strengths of each one. The article has been written by Rod Sowden, lead author for MSP® 2007 and 2011.

The overwhelming conclusion of this article is that organisations delivering programmes need to exploit the strengths of both approaches and once understood; they are surprisingly compatible and build on the strengths and weaknesses of each other rather than proposing opposing approaches.



**Managing Successful Programmes
2011 Edition**



**The Standard for Program Management
Second Edition*
2008**

*Please note that PMI have started the process of updating the standard. It is envisaged that there will not be a fundamental rewrite as the update is being done in a highly consultative / committee based approach

If the organisation has high levels of formality and is comfortable with process then the PMI model with its logical approach will probably make more sense. Organisations with less formality and are looking for a more fluid or agile approach to delivering change will be more comfortable with MSP® which is highly scalable. Both PMI and MSP® will need to be applied and interpreted for the organisation's needs, the PMI model is aligned with PMI project BOK whilst the MSP® model is not aligned so can work with any project BOK. MSP® should not be mistaken for an internal change programme framework,

In summary, PMI would be better if for:

- Complex projects with complex technical interrelationships
- Delivering capability to customers
- A programme that delivers heavy engineering or construction assets with no further aspirations or commitments.

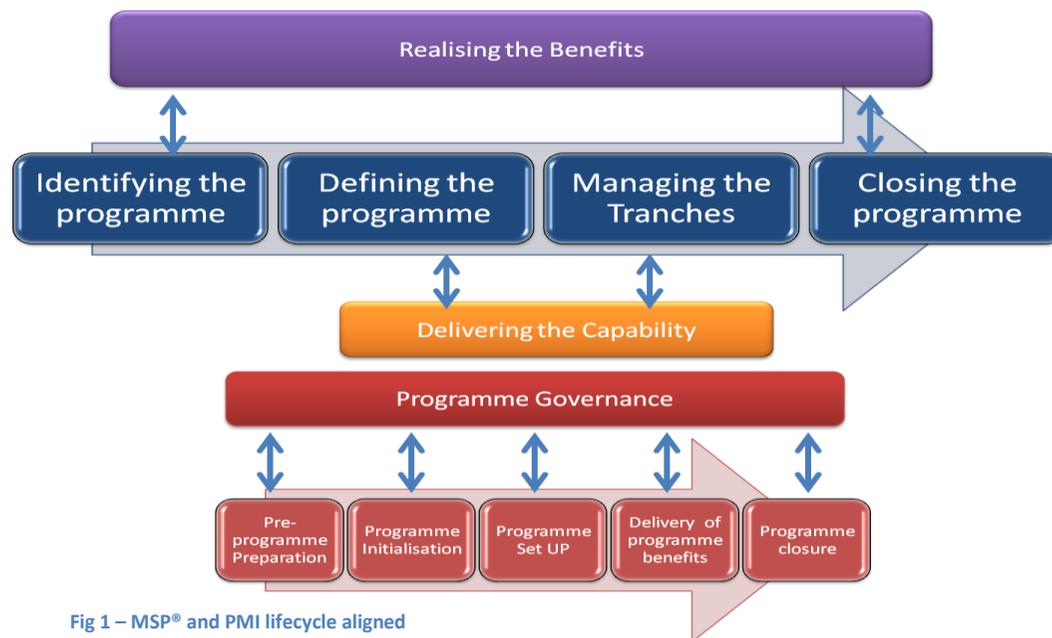


Fig 1 – MSP® and PMI lifecycle aligned

an area that MSP® does not, namely, delivering the capability. This is why PMI is likely to be more popular where technical complexity rather than the business performance outcomes.

The vocabulary and style of the two books are very different, this is reflecting that MSP® is more mature in terms of versions but also where the content has emerged from. The PMI approach is very much as you would expect from a project institute and focuses on the project management perspective of a programme being a collection of projects which aggregate into one very large and complex project which is then called a programme. The MSP® roots are

MSP® would be better if:

- Delivering capability is part of the achievement of a bigger objective
- Managing a major supply chain re-engineering as the supplier
- Managing major economic change, seeing Crossrail in the UK as an economic development programme rather than a tunnelling programme
- Managing a client as a partnership, build and manage
- Delivering an internal change programme

In this image, the blue lifecycle is from MSP®, which starts much earlier in the programme concept, the red boxes are the PMI lifecycle, which starts once the outcomes have been defined by the business, it carries a lot more detail in

more mixed, with a focus on strategic direction and delivering complex change, either internally or externally of an organisation and broader issues that this will involve.

In terms of style, as the PMI approach is referred to as a standard with the focus being much more specific on what actions should be taken and the inputs and outputs of those actions. The MSP® guide, is less specific and provides more general guidance on what, but includes far greater explanations of why and how things should be done as well as who should be doing it.

In terms of guidance size, although the manuals are roughly the same size the intensity of text of guidance is significantly more in MSP®. It doubled in size with the 2007 release and the 2011 release has increased it by a further 25%. There is much space used in the PMI manual to cover the index, lists of people who contributed in the main body, and summaries of texts

Definitions of what a programme is are quite different:

- PMI states: “a group of related projects managed in a co-ordinated way to obtain benefits and control not available from managing them individually. Programs may include elements of related work outside of the scope of the discrete projects in the program”
- MSP® states: “a temporary, flexible organisation created to co-ordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation’s strategic objectives”.

The consequence of this is that PMI is focused on delivery of a major capability or assets, often from construction and engineering (or both) whilst MSP® focuses on delivering the business outcomes and benefits that results from the investment. This is illustrated in the governance model with the role of Business Change Manager who has clear ownership of delivering the change, which doesn’t exist in PMI.

Definitions of what is programme management are different:

- PMI states: “Program management is the centralized coordinated management of a program to achieve the programs strategic objectives and benefits. It involves aligning multiple projects to achieve the program goals and allows for optimized or integrated cost, schedule, and effort”.
- MSP® states: “Programme Management is defined as a temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisations strategic objectives”.

2 Which one is for you?

This table, drawn from MSP®, is helpful in illustrating where the different approaches focus their efforts.

PMI has its roots in project management and would be stronger in the specification led type of change. Generally the higher predictability of the outcome the clearer the requirements and specification the more comfortable that framework would be. That doesn't mean it isn't complex to deliver, Crossrail has high predictability but is still very complex.

The MSP® framework is built from the strategic management view and is intended to align with one or more corporate objectives, which are often more ambiguous, which is reflected in the way MSP® approaches the challenges.

It has a stronger focus on Business Transformation, Community and Societal or low predictability Specification Led programmes where agility to change is more important.

The starting point for PMI is that there is a set of highly complex requirements to be delivered and the model is focused on putting the structure together to deliver this capability, the exploitation of that capability in terms of benefits is not covered in PMI, but it is a major part of MSP®.

MSP® starts from the point that the organisation has an objective that it wants to achieve and picks it up at the point of decision to do something a long way before the solution is defined, the solution is then built around the target operating model and the benefits, the projects are the journey and these come after the destination is defined. The delivery lifecycle is driven by the focus on beneficial change in theory, in reality many MSP® programmes are highly focused on the capability delivery as well.

		Predictability of Outcome		
		High	Medium	Low
Focus of the change	Specification led	Major engineering programmes, eg Olympic park Complex products based on known design Large scale technology replacements	Globalisation of technology services Adoption of technology that is new to the organisation, e.g ERP Multi organisation delivery	Pioneering engineering techniques Unproven technology implementation Specification led organisational change
	Business Transformation	Implementation of approaches used in similar organisation, for example, ISO adoption Process change affecting technology and some structures	New products or services to existing market place Changing historical working practices, values and structures Supply chain changes, e.g. outsourcing of services	Diversification of new products into new markets Internal external and customer behaviour Radical restructuring of supply chains
	Community & societal	Change to current legislation or policies Increase or decreases to investment programmes Predictable or clear stakeholder base	New legislation reacting to societal trends Legislative change to affect socio/economic behaviour Changes public service delivery models, eg, health provision	Changes to societal values and behaviour, eg criminality Incentive driven change to lifestyles and economic behaviour Long term societal effects, eg, health

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To this end, PMI and MSP® can work effectively together as MSP® is operating largely at a layer above PMI; it is at the sponsoring or business ownership level whereas PMI is focused on managing the complexity of projects delivery. MSP® has a process called Delivering the Capability which is where all the project coordination is handled, it takes a very light touch approach to this area whilst PMI has taken a strong methods approach, so it slots in nicely as the strengths of the two approaches can be matched.

For example, if you win a contract to deliver an outsourced service. The customer should be using MSP® as the vision and target operating model design will have led to the design to operate this way, the actual contract and delivery is an element of them delivering an organisational objective. There will have been much work prior to contract award and after it.

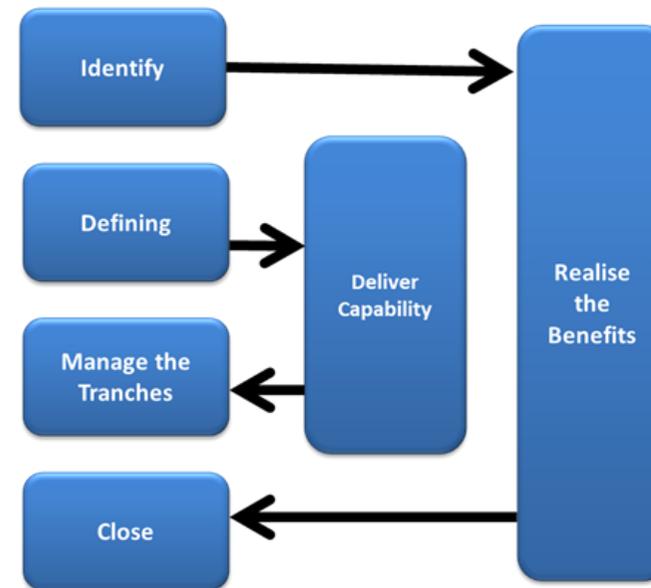


Figure 2 - MSP® lifecycle

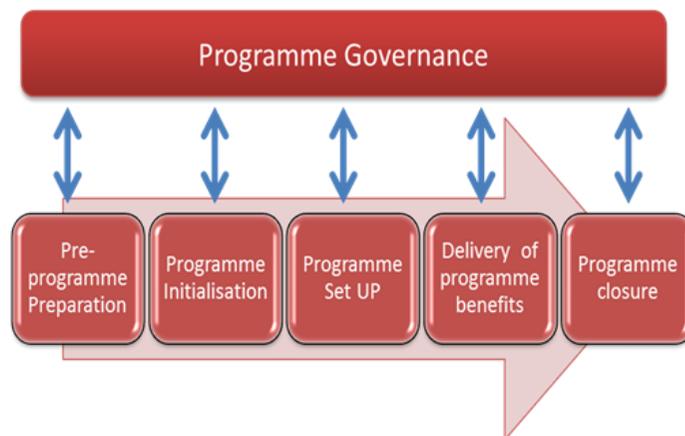


Figure 3 PMI Lifecycle

The suppliers use MSP® to make the strategic decision to respond to the RFI or Tender, to take and respond to the ITT and the shape of the services to be provided. It provides clear stage break points in MSP® that can be used for this, when the contract has been won and goes into delivery and transition, and then PMI becomes more valuable to manage delivery, but the MSP® benefits realisation process would take over again.

A practical example is Crossrail – the building of the tunnel is more suited to PMI but the overarching programme from concept to outcome and benefits of having trans London rail routes underground is more akin to the MSP® concept.

Another comparison would be a SAP implementation, the organisation would see it as a much bigger programme than implementing software but the supplier might not. The organisation could use MSP® whilst the supplier is using PMI.

3 Ease of implementation

Adopting either will be a challenge and from experience it will depend a lot on the nature of the organisation. If they already have PMI project management, the vocabulary and terminology will be similar so that will be less of a challenge. MSP® is not aligned to a specific body of knowledge which is why it can fit with any of them as it is not prescriptive about how the interface with projects will work, so it is more flexible. It does mention PRINCE2 as part of the OGC suite, but PRINCE2 itself is designed to sit on any body of knowledge too.

PMI is process orientated so if the organisation is strong in this area, possibly with an engineering culture then the fit would be better, MSP® is less formal in the approach and as such those with lower levels of process orientation will be more comfortable the structure.

If there are rigid and high levels of formality in the organisation then the PMI model with its logical approach will probably make more sense. Organisations which have less formality and are looking for a more fluid or agile approach to change will be more comfortable with MSP® which is highly scalable. Both PMI and MSP® will need to be applied and interpreted for the organisation's needs.

PMI is probably easier to adopt "out of the box", as it is prescriptive, MSP® is less prescriptive but is more thorough. There are supporting tools for both, MSP® includes a lot more information about how to run a programme, but it this requires skilful interpretation as it could feel bureaucratic as it is extensive and is intended to support many different types of programmes.

MSP® has an appendix covering how to adopt it, and health checks to support implementation.

4 Comparison of content

Initially the structures and vocabulary are quite different however the underpinning principles are not quite as different as they seem. PMI has a more defined process approach with inputs and outputs while MSP® has more focus on the management approach and what each of the key roles is doing.

Programme lifecycle is a single chapter within PMI whereas MSP® calls this the Transformational Flow and it covers a whole section of the book with 7 chapters covering each of the processes.

PMI uses the term process groups which are parallel cycles of activities that happen during the lifecycle of the programme and cover a number of knowledge areas. The MSP® equivalent are the Governance these cycles, which recur during the programme. The PMI manual has extensive cross referencing between activities in the processes in the way that the pre 2008 version of PRINCE2 was structured. In a number of areas PMI refers to a process when MSP® would reference it as an activity, for example, create a plan.

PMI uses the term Knowledge Areas these are similar to the Governance Themes in MSP®; they are basically points of reference and guidance to explain key concepts within the lifecycle. The PMI chapters tend to have activities with inputs and outputs to quite a level of detail. MSP® is more specific about what each of the role is doing and activities they should be undertaking, which aren't mapped as a method within the manual.

PMI uses the term plan, for example, Stakeholder Management Plan where MSP® would tend to have a Strategy that sets out the approach and then a plan to implement; in PMI the plan appears to do both.

MSP® has a number of appendices with additional guidance, which include programme Information, how to adopt MSP®, role of the programme office and health checks. The PMI manual appendices tend to provide summaries of what is in the manual and details about the version changes.

There are a number of areas that have significant similarities but they are arranged differently, this shows the gap analysis using the MSP® chapters as the starting point

5 Themes and knowledge areas

In this section we look firstly at the chapters in MSP® and explain how PMI addresses the topics, these are shaded in blue; those shaded in red highlight PMI chapters and highlight how MSP® deals with them. There they are blue and red shading, there are chapters in both manuals.

MSP® Governance theme chapters	How PMI handles it
Organisational structure provides a detailed explanation of a number of structure models and extensive detail on roles and responsibilities	Structure is mentioned in Programme Governance mentioning 4 main roles
Vision chapter is an overview of the concept and provides guidance on how to develop one.	Programme Scope has a reference to the vision, but is more focused on the internal controls provided by scope than the organisational value.
Blueprint Design and Delivery covers future business modelling and design	There is a concept called Programme Architecture which appears to do the same thing in Governance.
Benefits Management is a large chapter with extensive reference to techniques and plans	Mentioned in a number of areas but no specific details on how to do it, there is a lifecycle stage
Risk and Issue Management includes plans, analysis, types, change control and configuration management cycles	Risk Management, both approaches are very similar for risk but issue and change are covered within governance and integration, not separately

Leadership and Stakeholder Engagement includes plans, analysis, techniques and guidance on planning and communications	Stakeholder Management Knowledge Area and Communications Knowledge area have very similar content and approaches
Business Case focuses on the value proposition of the programme and the costs that should be captured	Finance Management and has more of a process and specific approach to actual financial management and how the programme will be funded.
Planning and Control sets out the steps and areas that need to be addressed to develop the programme plan and maintain control of it	Programme Integration and Programme Time management knowledge areas have similar content. The Programme Governance Management section is similar to the Control elements of this chapter in particular
Quality and Assurance provides guidance on the scope of programme quality and the techniques of assurance and audit	Programme Quality - there is a blank chapter with the heading Programme Quality and audit is one of the activities in Governance and there is a blank Quality Management chapter
How MSP® handles it	Knowledge area chapters
Closely aligned with the MSP® Leadership and Stakeholder which covers communications	Programme Communications covers what to communicate and planning
Closely aligned with MSP® Planning and Control chapter which deals with schedules	Programme Time management is about scheduling
Aligns with the MSP® Organisation section and the Managing the Tranche chapters	Programme Governance Management is about how to control the programme
Programme Costs are covered in Business Case	Programme Costs is a blank chapter in PMI
MSP® does not have a Governance Theme, but it is very similar to the Transformational Flow process of Identifying a Programme and there are elements in Defining the Programme that are aligned	Programme Scope Management sets out how to define the scope of the programme
MSP® does not have a Governance Theme, but the Transformational Flow process Defining a Programme has similar activities	Programme Integration Management is a large chapter outlining how to design the delivery of the programme

MSP® covers this in Organisational Structure and Quality and Assurance, people management is within scope of quality	Programme Human Resources management is a blank chapter
MSP® only lightly touches on this as it would expect a project to deal with this or as part of the Resource Management Strategy and plan	Programme Procurement Management

6 Programme Lifecycle

The MSP® approach is synchronous and provides a number of control points with significant detail on what happens in each stage (called a process). It also has the concept of the Tranche, which includes step change in capability associated with the delivery of the blueprint. The PMI approach mentions gates which would give stages, but there is no guidance on where or what they should be used in the way that MSP® does.

MSP® Transformational Flow	PMI Programme Lifecycle
Identifying a Programme takes the programme from conceptual mandate to a structured brief	Pre-programme preparation covers some of these areas, but does not include them as part of the programme. It is also covered by the Programme Scope knowledge area
Defining a Programme undertakes options analysis and benefits definition	Programme initiation starts at a point where there is clarity about where the programme is going. It is also covered by Programme Integration Knowledge Area
Delivering the Tranches is the overarching management activities for the programme	Programme Setup covers some of the Delivering the Tranches activities but the activities to deliver the programme appear to be in the plan. In the lifecycle this is the layer called Programme Governance
Delivering the Capability is the process for launching and controlling projects	Does not appear to be covered, largely because the whole PMI
Realising the Benefits is a process that runs through the lifecycle and deals with much of the change elements	Delivery of programme benefits process is similar in concept as runs through the programme lifecycle however there is very little detail included.
Closing the Programme	Close the programme