

Resources Management: "Program's Financial" Resources

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Purpose: Managing "Program's Finances" as critical program resources is crucial to the success of every major program through each of its phases and at its completion. To ensure that all these resources which are required to make the program successful are well-defined, agreed to, and communicated to all parties involved (as well as monitored throughout the program) the following items must be created and tracked by both the program management team and the program stakeholders.

Best Practices include having a separate, independent Resources Management team that reports to a C-level leader and not part of the major program management leaders and team. By so doing, there is focus, objectivity and rigor on the difficult task of effectively and efficiently managing the planning, allocation, calibration and movement/transfers, and de-allocation of people resources as required in a major program as it progresses from phase to phase.

Information to Manage the "Program's Financial" Resources

There is evidence that the information required exists and is being utilized (Y - Yes/N - No)

A. Financial Management Policy, Strategy, Methods, and Processes

1. A formal business case has been approved by the company's C-level executives and leaders and includes the Financial Benefits and Costs associated with the program prior to its commencement.
2. The relevant financial management strategy, methods, and processes to manage the programs finances have been agreed to by all program stakeholders and the company's C-level executives and
3. The methods utilized to quantify and put in financial terms all the Target Benefits of the program were agreed to by the program stakeholders, the program management team, and the C-level
4. The methods utilized to quantify all the costs relating to the program were agreed to by the program stakeholders, the program team, and the company's C-level executives.
5. The Cost Management Method being utilized in the program includes at a minimum the following
 - a. Financial Resources Strategy and Planning

- d. Cost Control
 - b. Cost Estimating
 - c. Cost Budgeting
6. The Financial Benefits Management Method being utilized in the program includes at a minimum
- a. Tracking of Financial Benefits Delivered per Phase and at the End of the Program
 - b. Decision-making process to determine whether the financial benefits are to be, a) re-invested in the subsequent phases fo the program, or b) allocated to the appropriate stakeholders' functional areas/departments, or c) accumulated of later allocation/distribution.

B. Cost Components of the Major Program

1. At a minimum, the cost components being tracked must include the following minimum items:
 - a. Program Planning Costs (Labor and all capital investments)
 - b. Program Management Costs (Labor and all capital investments)
 - c. Development Costs (labor and all capital investments need for the development of new business processes and workflows, software, information and reports, or enhancements to existing ones)
 - d. Implementation Costs (Labor and capital investments)
 - e. Training and other People Development Costs (Labor and capital investments)
 - f. Systems, Infrastructure, and Environments Costs (including licensing costs, operating costs, and
 - g. Third party licensing and/or subscription costs (e.g. systems, infrastructure, Cloud services, etc.)
 - h. Ongoing Maintenance and Support Costs (Operating expenses, and capital investments)
 - i. Third party professional services, temporary workers and contractors (labor costs and equipment

C. Other Financial Management Components

1. There is agreement on the components of the program that will be capitalized (including the number of years) among the program stakeholders, C-level executives, and the company's Board of Directors.
2. There is total cost of ownership management strategy and plan for all the assets included in and
3. There are at a minimum two leaders, and two C-level executives who are responsible for ensuring that the total cost of ownership estimates are not exceeded.

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