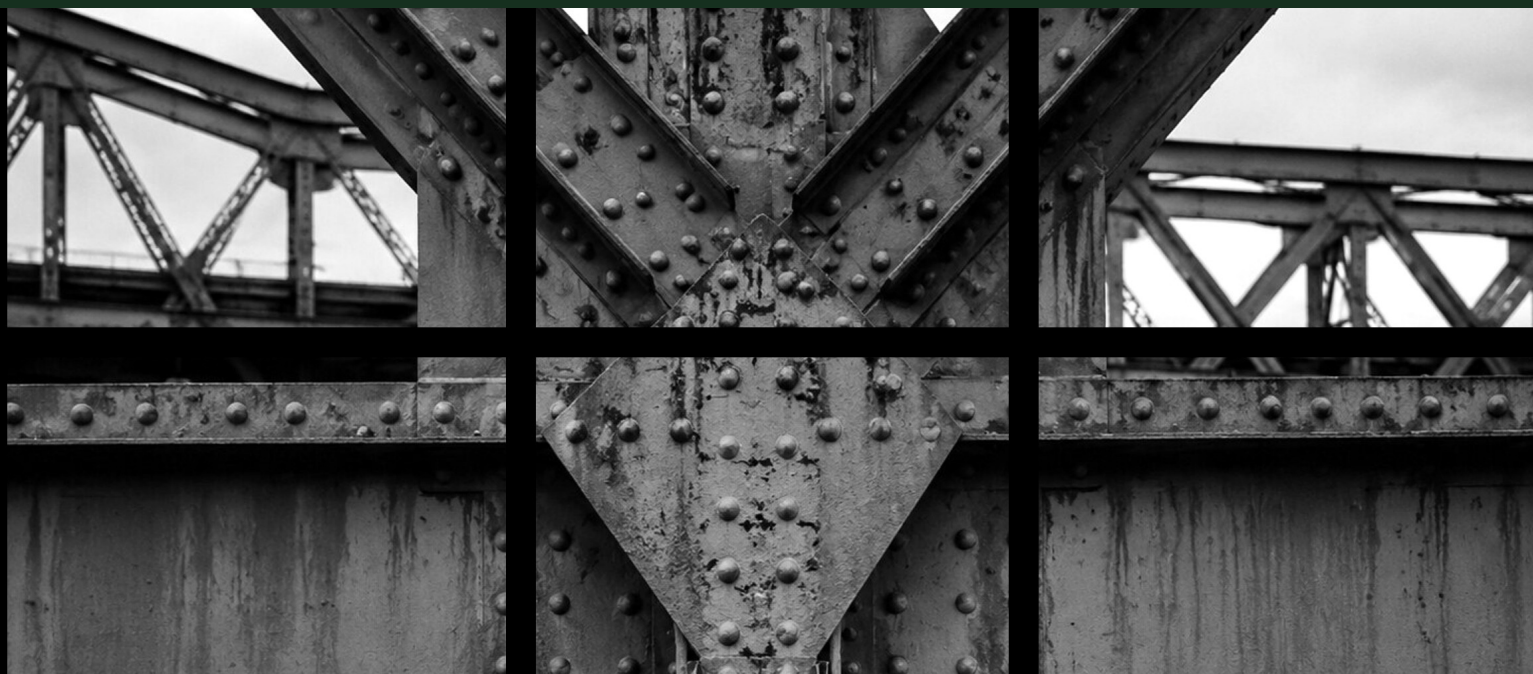


BEYOND CONTRACT CONTROL

When Programme Management Becomes Contract Administration, Delivery Loses Its Centre

Why commercially disciplined programmes still fail when nobody directs the path from obligation to outcome



When Programme Management Becomes Contract Administration, Delivery Loses Its Centre

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“A programme can be contractually orderly and operationally lost.”

1. The meeting in which every supplier was right

The programme review began with three green reports and ended with no date for the next usable test.

The systems supplier had delivered the application build named in its statement of work. The infrastructure supplier had made the test machines available. The data-conversion supplier had processed the file it had been given. Each could point to a signed document, an agreed milestone and a reason why the failed end-to-end run belonged to somebody else.

The programme manager handled the meeting with evident competence. Actions were recorded, contractual notices considered and the change-control procedure restated. Yet the central question remained unanswered: what must now happen, in what sequence, for the business process to work?

This scene recurs in many large programmes assembled from packages, outsourced services and specialist suppliers. The manager is fluent in obligations but strangely distant from production. He can explain why a party is not liable, but not why the whole delivery is not moving. He has become an accomplished custodian of the contracts and an uncertain director of the work.

That is not principally a failure of character. It is the result of a role reshaped by the way organisations now buy transformation.

2. The reassuring fiction of transferred delivery

Outsourcing rests on a legitimate proposition: a specialist supplier should accept responsibility for defined results, manage its own resources and bear consequences when it fails. If the buyer continues to direct every task, the supplier can reasonably argue that responsibility has been taken back. Strong contract management therefore protects more than price. It preserves the intended allocation of risk.

The difficulty begins when the organisation extends this logic from a component to a programme.

A contract can transfer responsibility for an application, a network, a conversion exercise or a support service. It cannot transfer the buyer's need to make those components operate as one business change unless a single party has explicitly accepted that integration responsibility and possesses the authority to discharge it. Even where a prime

contractor is appointed, the buyer still owns decisions about policy, operating readiness, benefits and acceptable compromise.

But executives often speak as if signing the contracts has transferred delivery itself. The programme manager is then positioned as the supervisor of agreements rather than the owner of an integrated result. The role becomes watchful instead of directive.

- Milestones are reviewed supplier by supplier.
- Problems are translated first into liability questions.
- Progress is evidenced by documents accepted, not capabilities demonstrated.
- Decisions wait while parties protect their contractual positions.
- The buyer's own work is treated as “the business” rather than part of the programme.

The transformation has not become simpler. Its most difficult work has merely moved into the spaces between the agreements.

Risk can be allocated by contract. The work of combining separately allocated risks into one outcome still requires management.

3. How the profession drifted toward the boundary

The drift is understandable. A decade of large technology programmes has taught organisations to fear uncontrolled scope, weak suppliers, ambiguous acceptance and costly disputes. Procurement functions have become more disciplined. Legal advisers have become involved earlier. Formal methodologies have made plans, stages, risks and approvals more visible. Boards rightly expect clearer evidence for the sums being committed.

These advances have raised the standard of contractual control. They have also altered what organisations reward in programme managers.

The safer manager is the one who can demonstrate compliance with procedure. A late decision may be criticised, but an undocumented decision is more exposed. A recovery action may be necessary, but an instruction that changes a supplier's obligation can create a claim. The manager learns to escalate, record and qualify before acting. Over time, the muscle of delivery weakens through disuse.

Recruitment reinforces the pattern. Organisations seek people who have managed large contracts of a certain value, worked with recognised methods and reported to senior boards. These are useful indicators of scale and discipline. They say little about whether the person can take a tangled dependency chain apart, identify the decisive constraint, negotiate a workable sequence and hold several parties to it.

The distinction is rarely visible in a curriculum vitae. Both candidates have chaired boards, managed risks, controlled budgets and handled suppliers. Only one has repeatedly converted ambiguity into executable work.

There is also a structural reason for the drift. In a programme delivered mainly by internal teams, the programme manager can walk the plan down through work-stream leaders to named people and tasks. In a multi-vendor programme, the equivalent detail is held inside commercial boundaries. Suppliers may resist exposing resource plans or intermediate work. The programme manager sees milestones but not always the production system

beneath them. Contract management becomes the only form of management for which the information is readily available.

What is measurable begins to define what is managed.

4. The difference between an obligation and a delivery

An obligation is a promise expressed in words. Delivery is a changing physical and organisational condition.

The contract may require a supplier to provide a tested interface by a date. Delivery management asks a different set of questions:

- Has the receiving system agreed the data definition?
- Is representative data available early enough to expose defects?
- Does the test environment reflect the volume and configuration that matter?
- Who can decide when the two designs conflict?
- How much correction and retest remain before the operational date?

These questions are not alternatives to contract control. They are the means by which the obligation becomes real.

A programme can be contractually orderly and operationally lost.

The experienced delivery manager moves constantly between three levels. At the top is the intended business capability: what must work for whom, at what scale and under what controls. In the middle is the dependency system: the sequence in which designs, environments, data, people and decisions must become usable. At the bottom are the contractual commitments that provide resources, remedies and leverage.

The contract-focused manager often travels only between the top and bottom. He restates the objective, then asks whether each supplier has met its commitment. The middle level disappears. Yet the middle is where delivery actually happens.

5. A composite programme at seventy-eight per cent complete

Consider a customer-administration programme spanning five regional operations. One supplier is configuring a packaged application. Another is providing servers and communications. A third is converting seven years of account history. Internal teams are redesigning procedures and preparing 430 staff for the new system.

The monthly report says the programme is 78 per cent complete. The percentage is a weighted total of supplier milestones. The application build is green. Hardware installation is green. Conversion is amber because one extract was late. Training is green because the material has been drafted.

Six weeks before the intended pilot, a delivery-led review tests the path of one ordinary customer amendment from receipt to the next printed statement. The review finds:

- The application accepts the new address but does not pass the change to the statement file.
- The converted history uses two address formats, one of which fails the application rule.

- The training material reflects a screen design that has since changed.
- The communications supplier has provided capacity for normal traffic but not for the concentrated pilot site.
- No one has defined who reconciles the first production statement run.

None of these discoveries is extraordinary. Together they reveal that the programme is not 78 per cent of the way to a usable service. It is several component deliveries away from its first credible end-to-end proof.

A contract manager responds by opening issues against the relevant parties. A delivery manager first constructs the recovery sequence.

1. Agree the single address rule and its business owner.
2. correct the application output and conversion mapping against the same rule.
3. load a representative sample and reconcile it through statement production.
4. amend the training material only after the screen and procedure are stable.
5. prove capacity at the pilot volume.
6. assign the first-run reconciliation to an operational manager with supplier support.

Commercial notices may follow. Some work may become a chargeable change. Responsibility may be disputed. But the programme now has a route to production. That route is the manager's primary contribution.

The composite matters because it shows why “manage the contract, do not manage the supplier” is incomplete advice. The buyer need not direct supplier staff. It must direct the integrated sequence in which supplier outputs become usable.

6. The serious case for the contract-centred manager

There is a strong objection to this argument. Large programmes have often been damaged by heroic managers who substitute energy for control. They bypass agreed governance, issue informal instructions, blur scope and create dependence on personal intervention. Suppliers exploit the ambiguity; costs rise; decisions cannot later be reconstructed. When the hero leaves, the programme discovers that urgency was masking disorder.

That objection is correct.

A return to command-and-chase management would be a regression. Delivery competence is not licence to ignore contracts. Nor should the programme manager become the chief designer, planner and troubleshooter. If one person carries the whole programme through personal knowledge, the organisation has built a fragile system.

The choice is not between bureaucratic contract administration and heroic improvisation. It is between managing documents as substitutes for delivery and using disciplined documents to govern delivery.

The capable programme manager asks for evidence, preserves authority and respects commercial boundaries. But he also understands enough of the production logic to know which evidence matters. He recognises when a contractual milestone is detached from its receiving dependency. He forces decisions before delay becomes a claim. He treats a red issue as a demand for an intervention, not merely an item for escalation.

Discipline and delivery are not opposites. Discipline without delivery becomes ceremony; delivery without discipline becomes gambling.

7. Why organisations sustain the pattern

If the weakness is so visible, why does it persist?

First, contract performance is easier to audit than programme movement. A board can ask whether a milestone was signed, a notice issued or a change approved. It is harder to judge whether the integrated plan contains the right dependencies or whether a test is revealing risk early enough. Governance gravitates toward evidence that non-specialists can verify.

Second, commercial failure has a clearer owner than delivery failure. If a supplier breaches, procurement and legal functions have established routes. If several compliant suppliers collectively fail to create an outcome, responsibility returns uncomfortably to the organisation itself. Contract language can postpone that recognition.

Third, many organisations have reduced the internal technical and operational capability that once challenged suppliers. They retain commercial managers but fewer people able to examine an estimate, test a sequence or arbitrate a design dependency. The programme manager may be told to hold suppliers accountable without being given an intelligent client function capable of knowing what good looks like.

Fourth, incentives reward apparent control. A clean dashboard, a stable baseline and formal acceptance can survive longer in senior forums than a candid statement that the delivery logic is not yet understood. Managers learn which account of reality travels most safely upward.

The pattern persists because it serves several institutional needs: certainty for the board, defensibility for the buyer and clear boundaries for suppliers. Delivery is the awkward party because delivery repeatedly reveals that the boundaries are less complete than they appear.

8. Recovering the centre of the role

The programme manager's centre is neither the contract nor the plan. It is the movement from intention to operational capability.

Contracts, schedules, risks, designs, budgets and governance are instruments around that movement. The manager must be able to use each without mistaking any one of them for the work itself.

This requires a particular combination of temperaments.

- Commercial firmness, to preserve obligations and resist opportunistic claims.
- Operational curiosity, to follow a failure beyond the supplier boundary.
- Sequencing judgement, to distinguish activity from the dependency that governs the outcome.
- Decision courage, to force a timely choice with incomplete information.
- Institutional discipline, to record the choice and its consequences.
- Business fluency, to recognise when technical completion still leaves the operation unready.

These qualities cannot be installed through a revised role description alone. The organisation must also restore the conditions in which delivery management is possible.

The programme manager needs one integrated plan above supplier plans, access to intermediate evidence, authority to convene cross-boundary decisions and named business owners for acceptance. The programme board must ask about end-to-end proof, aged decisions and unresolved dependencies, not only contractual milestone status. Commercial specialists must work inside the delivery rhythm, not arrive after a decision has hardened into a dispute.

Most importantly, senior sponsors must accept that outsourcing changes the buyer's delivery work; it does not abolish it.

“The contract tells us who promised each part. The programme must still tell us how the parts become a result.”

9. The manager as custodian of movement

There is dignity in strong contract management. Public and private organisations alike need people who can protect value, make obligations explicit and hold suppliers to account. The mistake is to treat that competence as the whole of programme leadership.

A contract looks backward to the promise and sideways to the boundary. Delivery looks forward to the next usable condition. A programme manager must hold all three directions at once.

The best practitioners do something subtle. They make the work more concrete without making themselves the hero of it. They create a shared sequence, name the missing decision, expose the incompatible assumptions and require evidence at the hand-off. Suppliers remain responsible for their work. Business owners remain responsible for acceptance. The manager makes those responsibilities meet in time.

That is the skill shift now required. As programmes become more commercially distributed, programme management must become more integrative, not more remote. Otherwise we will continue to appoint managers who can explain every contract and still cannot tell us how the programme will deliver.

The role should be judged by a simple question: when the agreements cease to describe reality, can the manager still create a controlled route to the outcome?

If the answer is no, we have not transferred delivery. We have only professionalised the distance from it.