



What the Results Tell Us: Insights from Our Program Health Assessments

By Kevin Haynes
Michael Siburt, PE, CCM, PRMP, PSP, CCP

In our previous blog, [What Makes a Program Healthy?](#), we discussed how program health assessments are a valuable way to examine an organization's or team's inner workings as they relate to its design and construction capabilities. By systematically evaluating critical performance areas, organizations can identify gaps early, close those gaps through targeted resources, processes, and/or technology, and establish a foundation for sustained program success.

As a reminder, the key performance areas examined through a program health assessment include the following categories:

- Risk management
- Schedule management
- Governance and team performance
- Design management
- Financial and cost management
- Construction execution management
- Stakeholder collaboration
- Transition to operations

In this blog, we take a closer look at the industry trends emerging from our program health assessments, which span projects representing several billion dollars in capital spending. We have listed the categories above from lowest to highest performance, based on our observations across the industry.

TRENDS IDENTIFIED FROM OUR PROGRAM HEALTH ASSESSMENTS

Below are a few key general observations from our work:

- **Stakeholder Collaboration appears to be the easiest trait to establish, along with Transition to Operations.** These categories are most frequently the highest-rated areas in our assessments. Organizations perform well in identifying and involving relevant stakeholder groups (e.g., community, regulatory, and end user).

- **Most organizations exhibit basic competence in Financial and Cost Management.** However, few organizations are excelling in this area. Scores tend to be “middle of the pack.” Minor issues exist with most organizations and tend to be related to change management and cost modeling.
- **Organizations show the widest range of effectiveness in Governance, Team Performance, and Risk Management.** These traits are correlated and subsequently reflected in their scores. Organizations that plan ahead and maintain sound governance are more likely to have effective program management.
- **Risk Management and Schedule Management appear to be secondary areas of focus for organizations, and the scores in these categories are often the lowest.** We infrequently see organizations utilizing schedule risk analysis as part of their schedule management process. Additionally, there is typically low confidence in a program’s forecasted completion dates, and significant improvement is needed in how risk information is shared and utilized.

ORGANIZATION TYPES BASED ON APPROACH AND SIZE/SOPHISTICATION

Upon examining all the organizations we assessed, we observed distinctions between these organizations in both approach and capabilities. It is important to understand the orientation of an organization in relation to its implications for program management. Each type has its advantages and challenges.

For approach, three distinct types of organizations emerged:

- **Future Facility Oriented.** Organizations that emphasize Stakeholder Collaboration and Transition to Operations are “future facility-oriented.” We most frequently see this approach with organizations located in geographic areas of robust growth, often with high-profile capital projects and facilities planned.
- **Process Oriented.** Organizations that emphasize design management, finance and cost management, and schedule management are “process-oriented” and tend to be serial builders. Institutional owners with long-running capital programs (e.g., transportation, higher education, healthcare) often fall into this organizational type. Due to the repetitive nature of the building projects, this orientation lends itself well to the “blocking and tackling” of repeat work. However, in some cases, these organizations lack a clear vision and effective collaboration with related stakeholders.
- **Big Picture Oriented.** Organizations with strengths in Governance and Team Performance and Risk Management are “big-picture-oriented” and are more likely to be strong in other performance areas. They understand the overall context and long-term goals of their programs. Organizations that score highest in these two categories most often score highest across all categories, suggesting that these categories might be the cornerstones of effective program management.

Organizations can be grouped by their size and capabilities:

- **“Emergent”** organizations (<\$200 million in annual capital spending) tend to be oriented toward a specific future facility/finished product. As such, these organizations build capabilities in all areas but may not have adopted or be aware of Risk, Design Management, and Governance structures. A greater focus on these areas tends to yield the greatest improvement in the effectiveness of program management. Typically, their process for identifying and managing risks is not robust and continuous.
- **“Mid-Size”** organizations with several hundreds of millions in annual capital spend may have developed a particular competence in one or more domains, but still have blind spots in some domains, particularly Risk Management and Governance. Construction Execution Management is likely to be a more developed focus area.
- **“Large”** organizations with multi-billion-dollar programs, large project portfolios, and/or long institutional experience in design and construction have the most well-rounded systems in place and competence across all domains, as one would expect. Common weaknesses in large organizations include a lack of enhanced cost/schedule/risk management capabilities, resulting in a lack of confidence in cost and schedule estimates and an inability to foresee risks.

FINAL THOUGHTS

Our assessments reveal consistent patterns across various types of organizations. Those that perform well in Governance, Team Performance, and Risk Management tend to be stronger across the board, even if they still face challenges with schedule management or other technical areas.

Mid-size organizations often excel in construction execution but continue to struggle with Risk Management and Governance. These findings reinforce that every program is unique, and improvement begins with understanding where the organization stands today and what it needs to support future growth.

Most organizations face similar challenges: limited alignment on scope, uncertainty in cost and schedule forecasts, and risks that become apparent too late. Strengthening Governance, Team Performance, and Risk practices often yields the greatest return and leads to better outcomes across the entire program.

A clear picture of an organization's current capabilities helps project teams focus on the steps that can be addressed in the short term before triggering adverse outcomes later. Understanding where your program stands today makes it easier to focus on changes that will positively impact not only current projects but also those in the future. MBP can work alongside organizations to help clarify those needs, sidestep pitfalls, and guide the path forward.

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