Project Management Best Practices in Public Sector Projects

Submitted by: Practical Thinking Group
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• A well-known international speaker and consultant specialized in Strategy, Leadership and Organizational Project Management. Ricardo has more than 20 years of experience working for private and government organizations and as a Keynote Speaker, across America, Europe, Africa and Asia. Has been interviewed by several media outlets such as CNN Español, Rede TV, Forbes India among others.

• He has managed several programs and projects across different industries such as Government, Mining, Construction, and development projects.

• Managing Director of Practical Thinking Group and additionally, he acts as Project Management Advisor with the United Nations Office of Project Services (UNOPS).

• Mr. Triana is a graduate of the Project Management Institute (PMI) Leadership Master Class. Ricardo was a member of PMI Global Board of Directors for 2010-2015 and was its Chairman during 2014.

• Colombian and Mexican citizen, resident of the US. Bachelor in Pedagogy. He is fluent in English, Spanish and Portuguese; intermediate level in French and Italian. He holds a BSA with focus on language and pedagogy. He is also a certified facilitator to improve communication and reduce conflict through and has completed a program on Authentic Leadership Development from Harvard University.
Agenda

• Public Administration Components
• Strategy Execution
• Challenges & Statistics
• Suggested Best Practices
Public Administration Components

**Polity**
- Institutional System
- Constitutional Structural Components
- Political Culture
- Society / Politically Organized Community

**Politics**
- Theory - Power struggle
- Basic component of the political system
- Political exchange
- Parliamentary Debates / Coalitions

**Policy – Policies**
- Binding decisions in economy, education, etc.
- Political agenda results of the politics realm in the polity
- Action plans
- Political programs
TRANSFORM

A project / program creates a new process or product or improves existing ones - Temporary - (CAPEX)

SUSTAIN

Operates existing products / services or new / improved ones as a result of projects and programs - Recurring - (OPEX)

A good execution of the operations supports value realization towards strategic directions

A good translation of the strategy into investments creates value and realizes benefits while transforming the way we deliver services
Strategic Plan

Long-Term Vision

Results

Project Management

Program: Coordination of projects to deliver benefits

Portfoliom Management: Project/Investment Evaluation & Authorization

Feasibility Study

Project / Program Execution

Tollgate

Operation / Project Return

Financial Indicators (BCR, VPL, TIR, ROI, ROA, etc.), intangibles (strategic, sustainability, etc.) or both

KEY SUCCESS INDICATORS:
- Measure effectiveness. Financial indicators, intangibles or both

KEY PERFORMANCE INDICATORS
- Measure efficiency. Risks, Financial Indicators

Tollgate

Project Management: Deliverables creation

Program: Coordination of projects to deliver benefits

Benefits Management: Review of project results / program benefits

Talent Management: Competencies, Training, Performance Management

Information Systems

Methodologies, Standards, Procedures, Processes

Sponsorship & Leadership

Benefits Management

PROJECT MANAGEMENT ORGANIZATION ENABLERS
Agenda

• Public Administration Components

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• Challenges & Statistics

• Suggested Best Practices
Challenges

Administrative & Processes

Period covered by strategic vision documents

- **Administrative discontinuity** (career public servants v. political appointees) cause a short-term vision in strategic planning and implementation of processes.
- There’s no difference between CAPEX / OPEX as both constitute fiscal year expenditures in full amount.
- There are no policies for recruitment and retention of specialized resources (talent management strategy at the government level).
- Confusion / lack of clarity in the responsibility of the project manager, sponsor or steering committee.
- Implementation of tools and processes require organizational change management and tailoring, adjustments to the organizational culture.
- Supporting tools and an ICT (Information Technology and Communication) program are necessary to support the system.

• **Multi-sector initiatives increased** in recent years

• **Many entities involved** (departments, secretariats, organizations) increasing conflicting interests / objectives

• Greater emphasis in transparency and citizen participation, **focus on control which increases approval and review work**

• Inter-institutional committees are create with risk of lack of continuity and loss of institutional memory due to higher rotation

• **Lack of incentives, collective performance goals** (13% have financial incentives, 20% do not have any collaboration incentives. Individual performance management not linked to results

**Challenges**

**Stakeholders & Governance**

• Benefit-Cost Analysis (BCA) as a tool for verifying the economical viability of projects, programs, policies and initiatives. It normally includes elements such as IRR, NPV, sensitivity analysis but most of the time impact on regional development, scenario analysis, environmental impact or fiscal impact analysis are not included.

• **The moment the BCA (and in the general the project evaluation) occurs**, can influence the efficiency of decision-making and the amount of changes in budget and time during project execution

• **Lack of attention on measuring the impact (benefits) during the execution and post-execution**, which could be improving decision-making or long-term strategy

### Challenges

### Benefits & Results

*Stage where the BCA is prepared*

- 8% Feasibility phase after choosing a preferred alternative
- 33% Prepared earlier and updated during planning and preparation
- 59% During pre-feasibility

Percentage at risk per each USD billion = 2017 – 13.5%, 2018 – 9.9%, 2019 -12%

Best organizations (Champions)
80% or more of the projects / initiatives completed on time, on budget, meeting original goals and having High Benefits Realization Maturity

PROJECT PERFORMANCE

Meeting original goals
Within time
Within Budget

1.4 % at risk

29.1% at risk

(Underperformers)
60% or fewer of the projects / initiatives completed on time, on budget, meeting original goals and having Low Benefits Realization Maturity

Source: PMI (Project Management Institute) 2018 Pulse of the Profession™ Report
Agenda

• Public Administration Components

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• Challenges & Statistics

• Suggested Best Practices
Governance and Decision-making

- Define the concept of Project - Program - Portfolio within the context of public investments
- Define roles and responsibilities
  - Assign an executive sponsor for each project
  - Create a steering committee responsible for decision making
- Use the local or economy-wide CoG (Center of Government) as part of inter-institutional coordination to ensure sustainability
Processes and Organizational Agility

- **Modify legislation** to create a common language and transversal coordination among entities (e.g. Program Management Improvement Accountability Act, PMIAA, USA)
- Implement a **process for maturing the initiatives through tollgates** and making decisions along with an **organizational change management plan**
- Increase **agility and efficiency at all organizational levels / processes** (procurement, budget, etc.)
- **Assess, facilitate decision-making and act on “High Risk” investments or projects**
Talent Management & Support

- **Create a Talent Management Strategy** in the entity, focused on Project Management competencies
  - Define the job profile of a PM
  - Recruitment, evaluation and performance management of competent project managers
  - Training / Mentoring not only in technical skills and also aimed to sponsors / steering committees
- **Create a support entity such as a Project Management Office (PMO)** or Program Implementation Units (PIU) for inter-institutional projects
  - Focused on providing to increase the Organizational enablers and continuously redesigned
Coordinated Governance: Leverage a coordinated approach and governance structure that clarifies key roles and responsibilities for senior leader engagement in strengthening Program Management, and establishes broadly applicable program management principles and standards.

- Agency COO (Chief Operating Officer)
- Agency PMIO (Program Management Implementation Officer)
- Program Management Policy Council

Regular OMB / Agency Engagement and Reviews:

- Program Portfolio Reviews
- GAO High Risk projects and areas review using standard criteria and follow-up meetings

Talent Management and Training

- Program Management Job Series and Career Paths
- Training and Development of Program Managers
- Mentoring and Recognition of Performance
Best practices implementation around the world

• **Department of Prime Minister and Cabinet – Australia**
  - Policy Implementation and toolkits for initiatives under certain criteria (priority of the government, budget, complex changes, cross-agency)
  - Approve initiatives by analyzing Risk (Coordinated by Department of Finance) and provide guidance on the implementation of several components (planning, governance, stakeholders, risks, monitoring, evaluation, resources)

• **Prince2** (a Project Management methodology commonly used in Commonwealth economies), started as an effort of the Office of Government Commerce of UK and has become

• **OpenPM2 Methodology used in the European Union**
  - Provides guidance on governance, lifecycle, processes and artifacts
Best practices implementation around the world

• **Public Infrastructure Coordination unit (UCIP) – Panama**
  • Centralizing and expediting the technical tasks of coordination, tendering, supervision and execution of high-risk or multi-sectorial public infrastructure works

• **Initiatives to strengthen and support Center of Government (CoG) – World Bank or InterAmerican Development Bank**

• **Formal processes to assess “High Risk” Projects – UNOPS, MCC**

• **Ministry of Public Works - Chile**
  • Academy for training and Mentoring on three aspects: Business (Infrastructure, Architecture, Airports, Water and Sanitation, etc.), Technical (Contract Management, Project Management based on PMI) and Interpersonal Skills

• **Mayor’s Office – Montevideo**
  • Definition of a Public Investment Lifecycle composed by phases and tollgates (major decision points) based on relevance
  • Establishment of a coordinated system of PMOs (Project Management Offices), project manager profiles and roles
Public Investments Maturity Lifecycle – Montevideo Mayor’s Office

Portfolio Definition

- **Requirements and Opportunities**
- **Feasibility**
- **Conceptual Design**
- **P0 – Approved Initiative**
- **P1 – Justified Solution**
- **P2 – Approved Investment**

Initiation & Planning

- **P3 – Approved Plan**

Detailed Design

- **P4 – Detailed Design**

Execution

- **P5 – Accepted Product**

Closing & Transfer

- **P6 – Transferred Product**

Operation

- **P7 – Benefits Measured**

Benefits Definition

Project / Program Management

Benefits Realization

Portfolio Management

Strategic Objectives Alignment

Participating Departments

Budget
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