



**Asia-Pacific
Economic Cooperation**

2019/SOM3/EC/WKSP2/004

Project Management Best Practices in Public Sector Projects

Submitted by: Practical Thinking Group



**Best Practices Workshop on Public Investment
Systems
Puerto Varas, Chile
28-29 August 2019**

Project Management Best Practices in Public Sector Projects

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@rtriana





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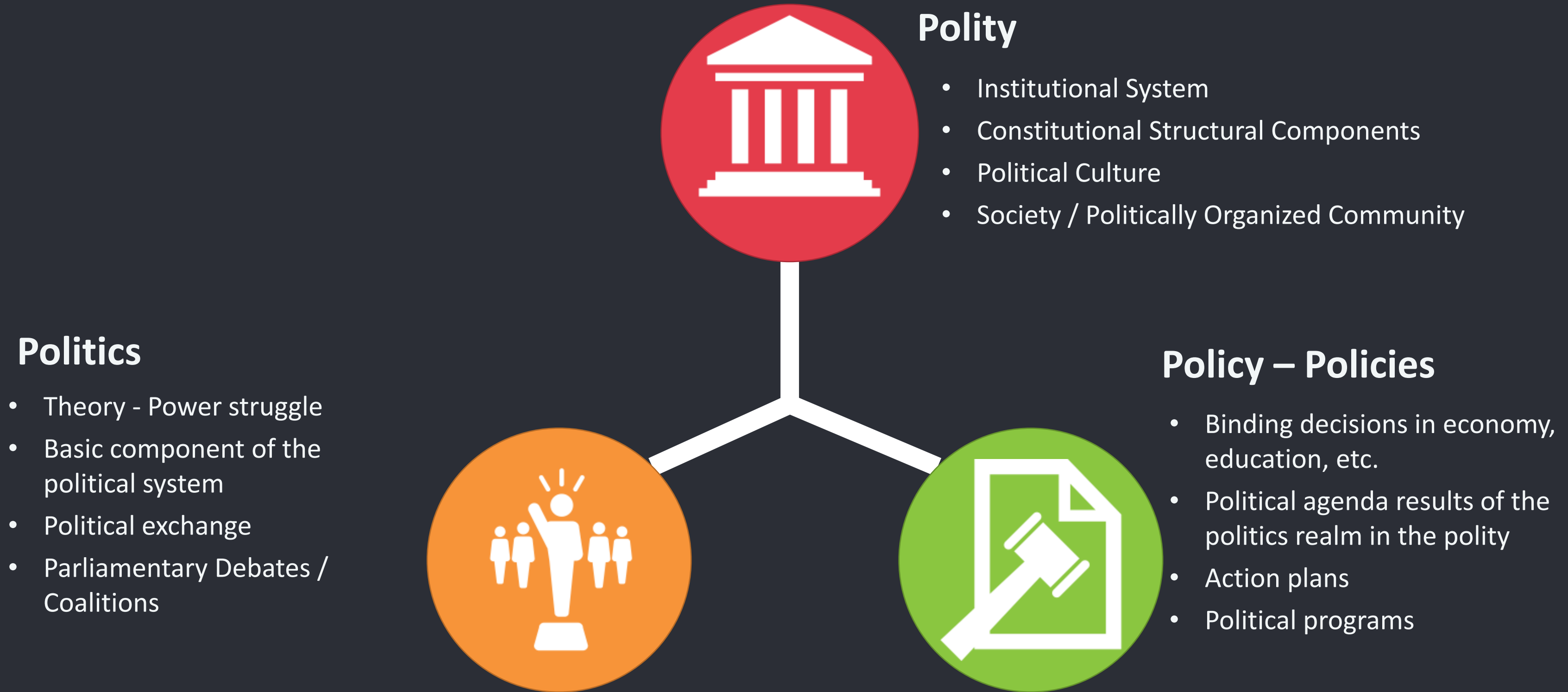
- A well-known international speaker and consultant specialized in Strategy, Leadership and Organizational Project Management. Ricardo has more than 20 years of experience working for private and government organizations and as a Keynote Speaker, across America, Europe, Africa and Asia. Has been interviewed 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



TRANSFORM

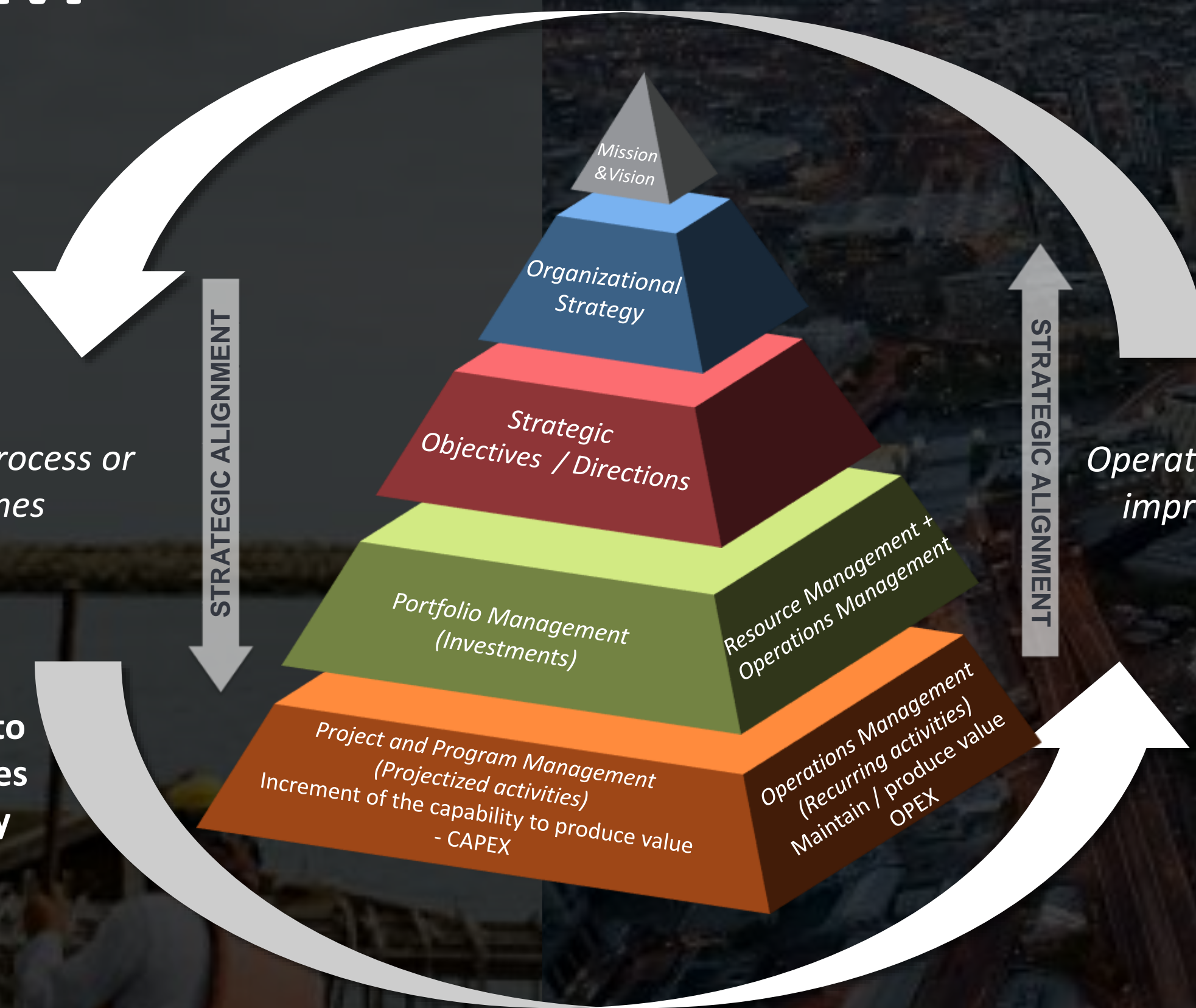
SUSTAIN

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

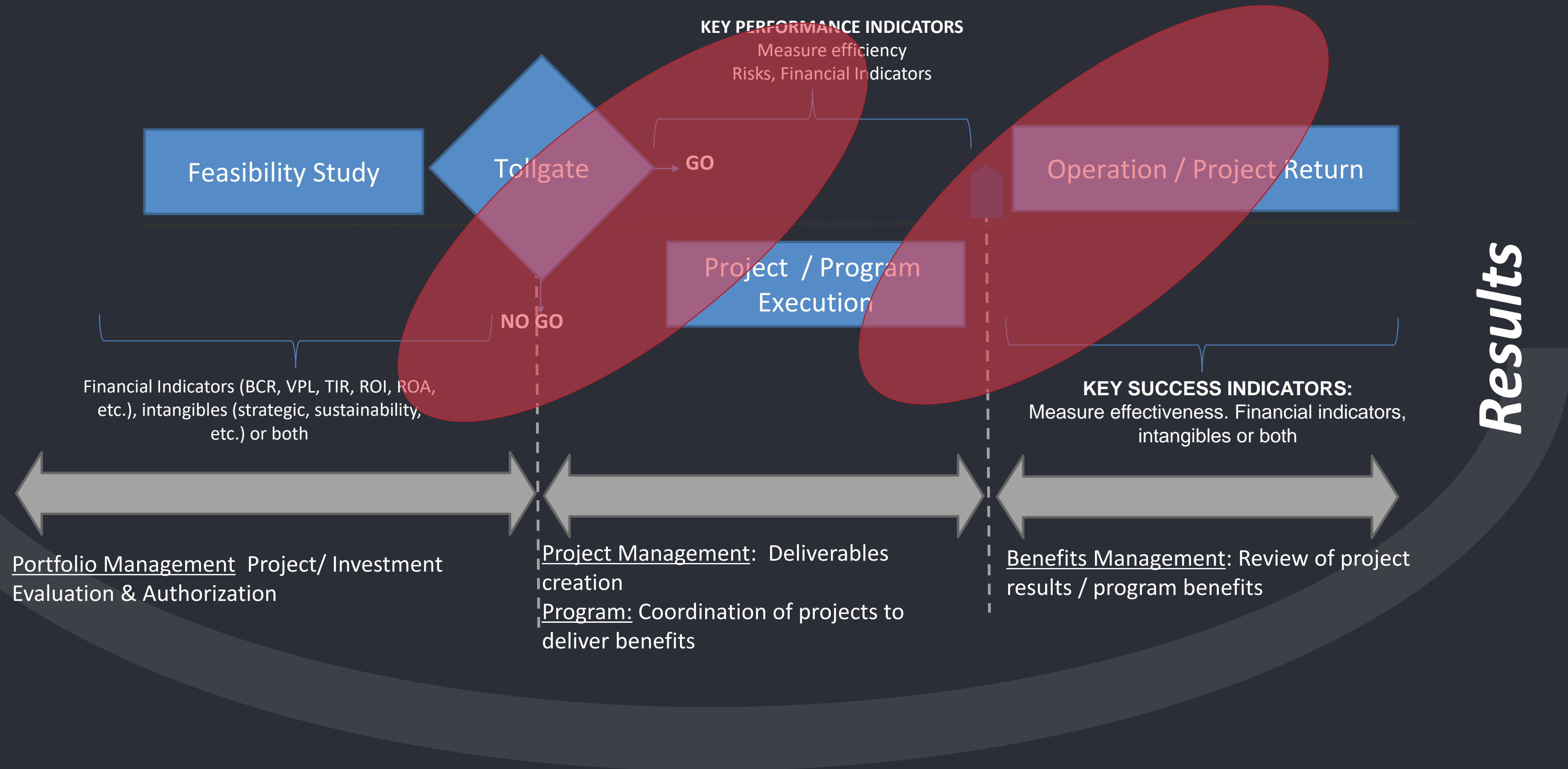
Operates existing products / services or new / improved ones as a result of projects and programs - Recurring- (OPEX)

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

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



Strategic Plan
Long-Term Vision



Results

PROJECT MANAGEMENT ORGANIZATION ENABLERS

Talent Management: Competencies, Training, Performance Management

Information Systems

Methodologies, Standards, Procedures, Processes

Sponsorship & Leadership

Benefits Management

Agenda

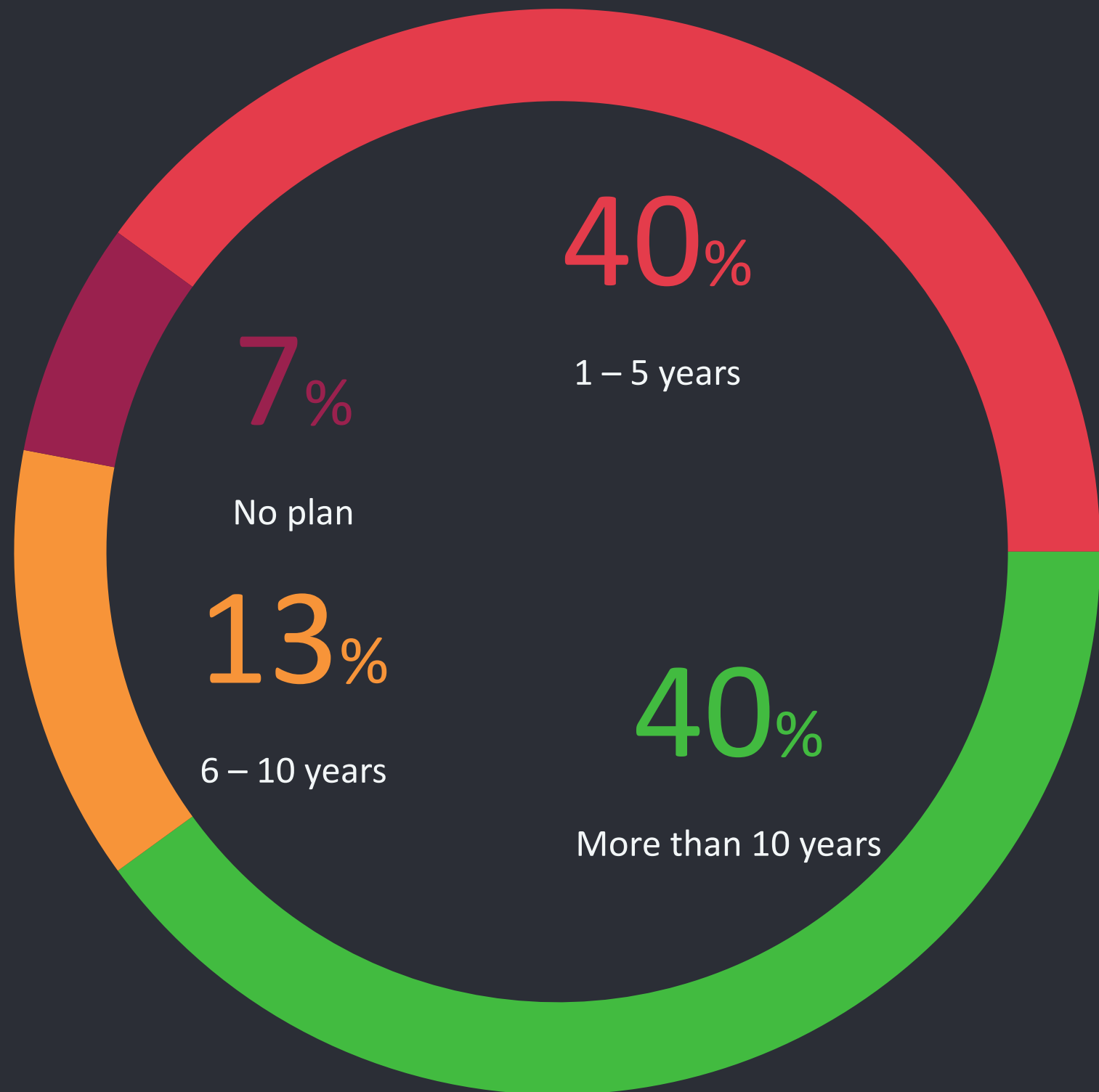
A series of vertical bars of varying heights and colors (white, light blue, dark blue) arranged in a descending staircase pattern from top-left to bottom-right. The bars contain images of construction workers in safety gear (hard hats, vests) working on a site near water.

- Public Administration Components
- Strategy Execution
- **Challenges & Statistics**
- Suggested Best Practices

Challenges

Administrative & Processes

Period covered by strategic vision documents



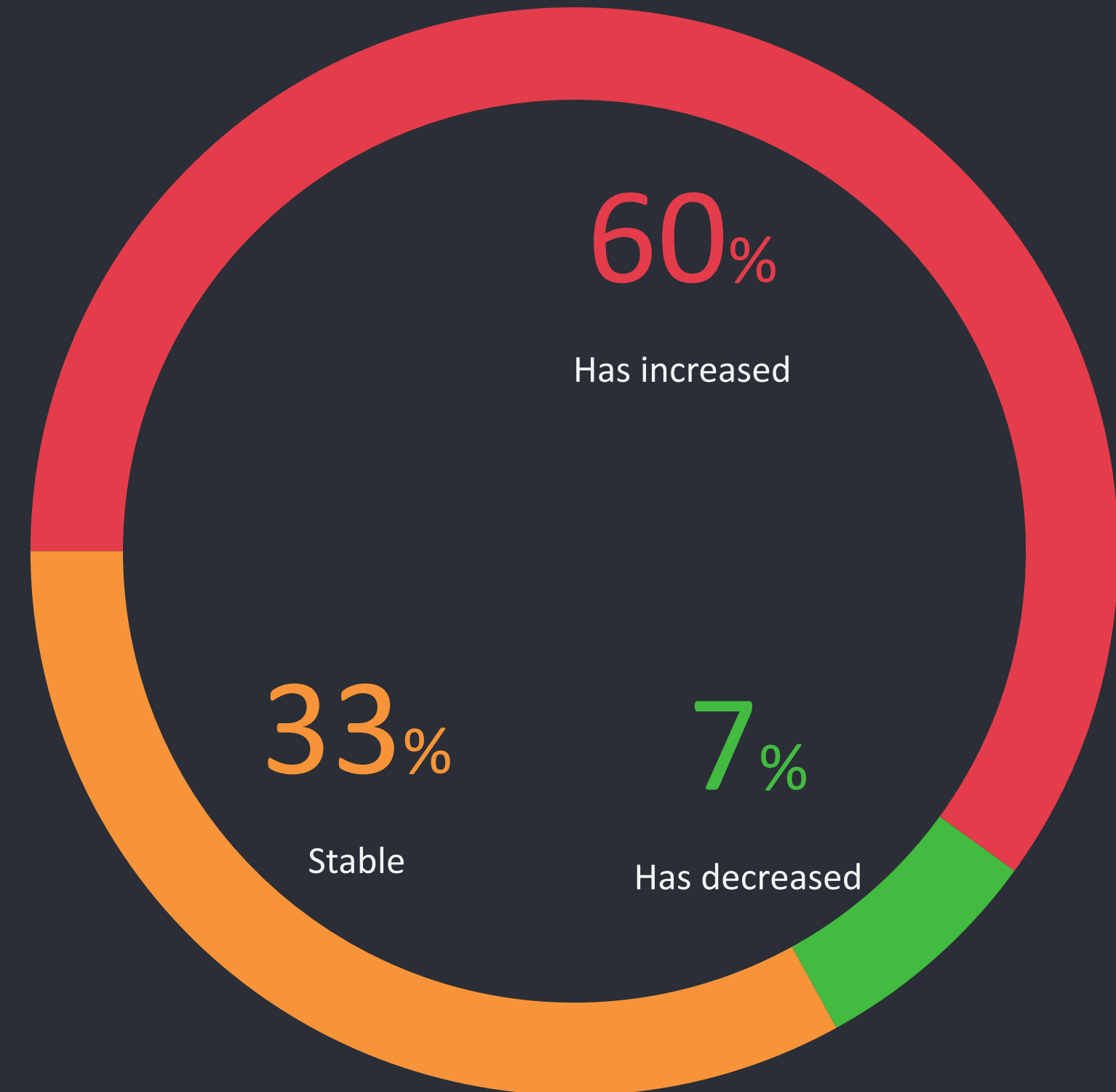
- **Administrative discontinuity** (career public servants v. political appointees) cause a short-term vision in strategic planning and implementation of processes
- There's no difference between CAPEX / OPEX as both constitute fiscal year expenditures in full amount
- There are **no policies for recruitment 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

Variation in the number of multi-sectorial initiatives in recent years



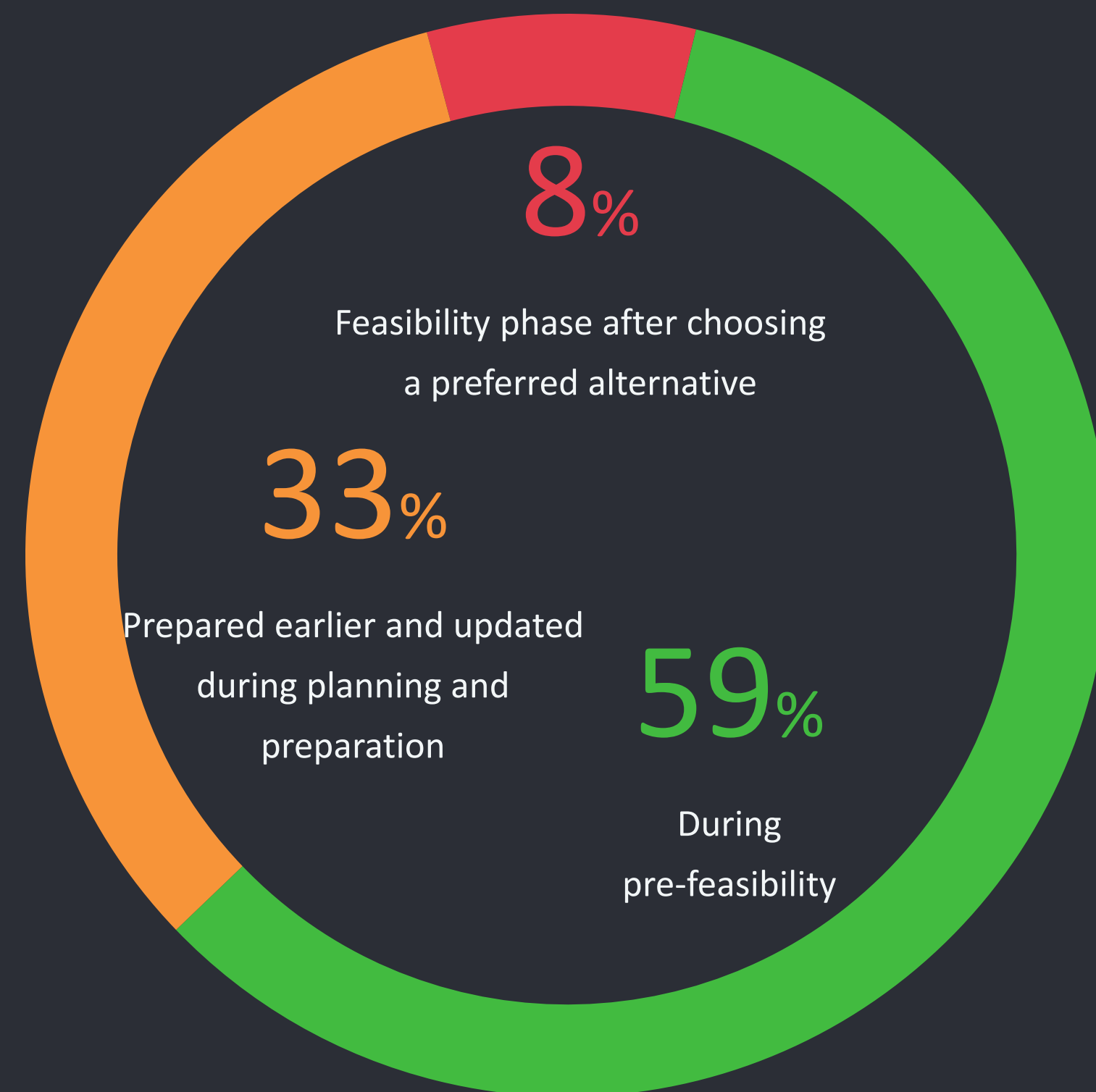
Fuente: OCDE (2015), IADB - OCDE about organization and Centers of Government, OCDE, Paris.

- 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



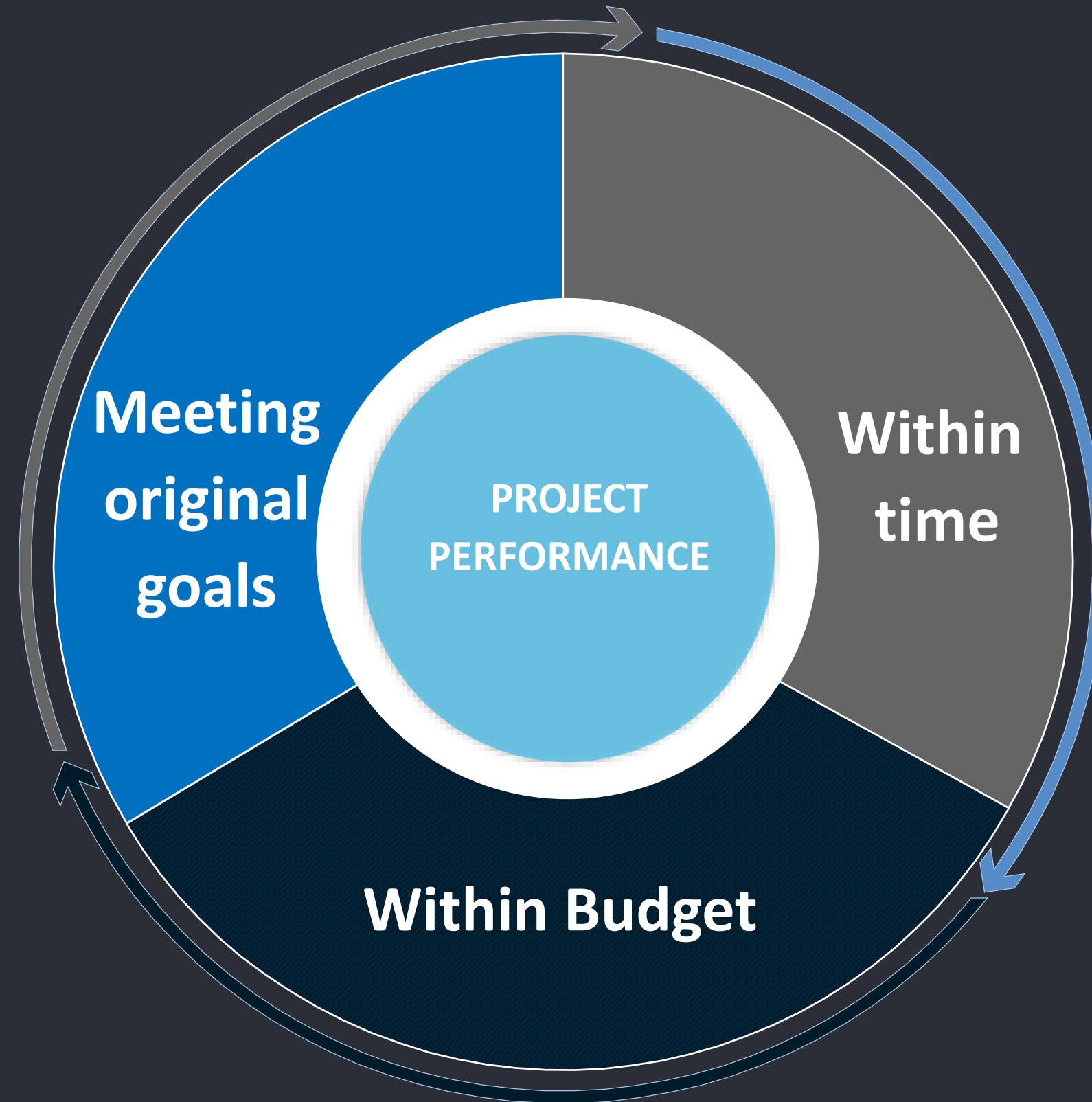
Fuente: OCDE (2015), IADB - OCDE about organization and Centers of Government, OCDE, Paris.

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**



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**

Agenda



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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

15

- **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



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

June 25, 2018

THE DIRECTOR

M-18-19

MEMORANDUM FOR HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Mick Mulvaney
Director

SUBJECT: Improving the Management of Federal Programs and Projects through
Implementing the Program Management Improvement Accountability Act
(PMIAA)

On December 14, 2016, the Program Management Improvement Accountability Act (the Act or the PMIAA), [Pub. L. No. 114-264](#), was signed into law. The Act aims to improve program and project management (P/PM) practices within the Federal Government, requires Government-wide standards and policies for program management, and establishes a new interagency council to improve P/PM practices among agencies. The Act establishes a new role, the Program Management Improvement Officer (PMIO). The responsibility of PMIOs is to implement program management policies established by their respective agencies and develop strategies to enhance the role of program management and managers within their departments. Additionally, the PMIAA requires that agencies conduct annual portfolio reviews of programs in coordination with the Office of Management and Budget (OMB) to ensure major programs are being managed effectively, and that OMB conduct reviews of areas identified by the Government Accountability Office (GAO) as “high risk.”

The Act complements implementation of the [President’s Management Agenda](#) and the broader Administration goal of ensuring taxpayer dollars are providing critical Federal services to citizens efficiently and cost-effectively. This Memorandum establishes initial implementation guidance to begin a coordinated and Government-wide approach to strengthen P/PM practices in Federal agencies and improve Government performance.

Improving P/PM practices across the Federal Government will require sustained and focused efforts by agency leadership. OMB will issue updated guidance as agency and Federal manager competencies in P/PM continue to develop. This guidance will also be incorporated into future revisions of OMB Circular A-11, Part 6, to reinforce the importance of P/PM practices as part of a broader complement of enterprise-wide management-related competencies that agency Chief Operating Officers (COOs) must prioritize to enable improved program outcomes and performance of the Federal Government.¹

¹ Applicable provisions of this guidance will also be incorporated into the OMB Information Technology Capital Planning guidance to ensure effective P/PM for major information technology (IT) investments.

Program Management Improvement Accountability Act, PMIAA, USA

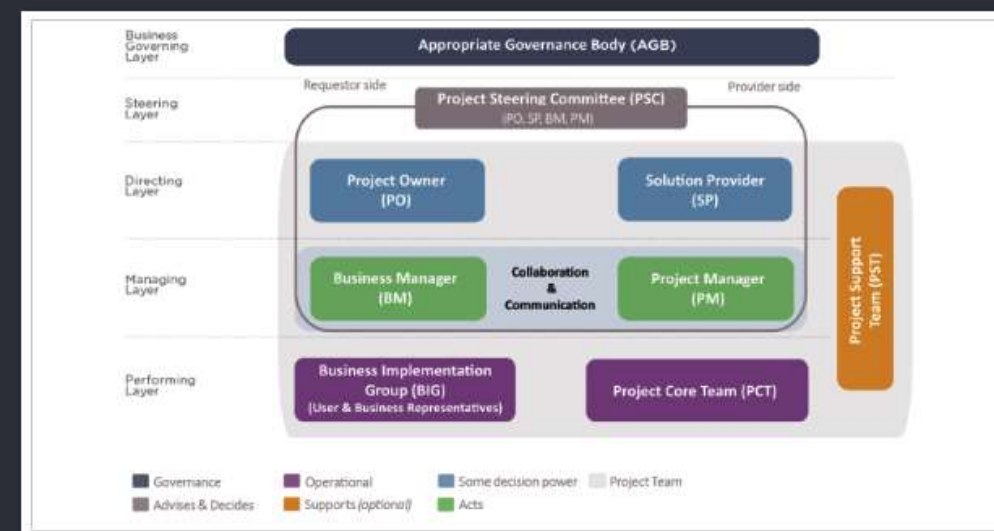
- **Coordinated Governance:** Leverage a coordinated approach and governance structure that clarifies **key roles and responsibilities** for senior leader engagement in strengthening Program Management, and **establishes broadly applicable program management principles and standards.**
 - Agency COO (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



Risk Area	Rating				
	Very Low	Low	Med	High	Very High
A1. Government priority	Very Low	Low	Med	High	Very High
Guidance	Low Government profile.		Moderate Government interest.		Very High Government interest/priority.
Justification:	Very Low	Low	Medium	High	Very High
A2. Financial impact	Very Low	Low	Med	High	Very High
Guidance	Exposure of public funds, less than \$50m.		Exposure of public funds \$250-\$500m.		Exposure of public funds, greater than \$1b.
Justification:	Very Low	Low	Medium	High	Very High
A3. Citizens	Very Low	Low	Med	High	Very High
Guidance	Low impact on small number of citizens.		Medium impact on moderate number of citizens.		Large impact on large number of citizens.
Justification:	Very Low	Low	Medium	High	Very High
A4. Market	Very Low	Low	Med	High	Very High
Guidance	Minimal impact on private sector.		Moderate negative or positive impact on private sector.		Significant negative or positive impact on private sector.
Justification:	Very Low	Low	Medium	High	Very High
A5. Stakeholders	Very Low	Low	Med	High	Very High
Guidance	Straightforward stakeholder arrangement or no opposition of		Multiple stakeholders or some stakeholder opposition		Complex stakeholder arrangements or significant stakeholder opposition expected.



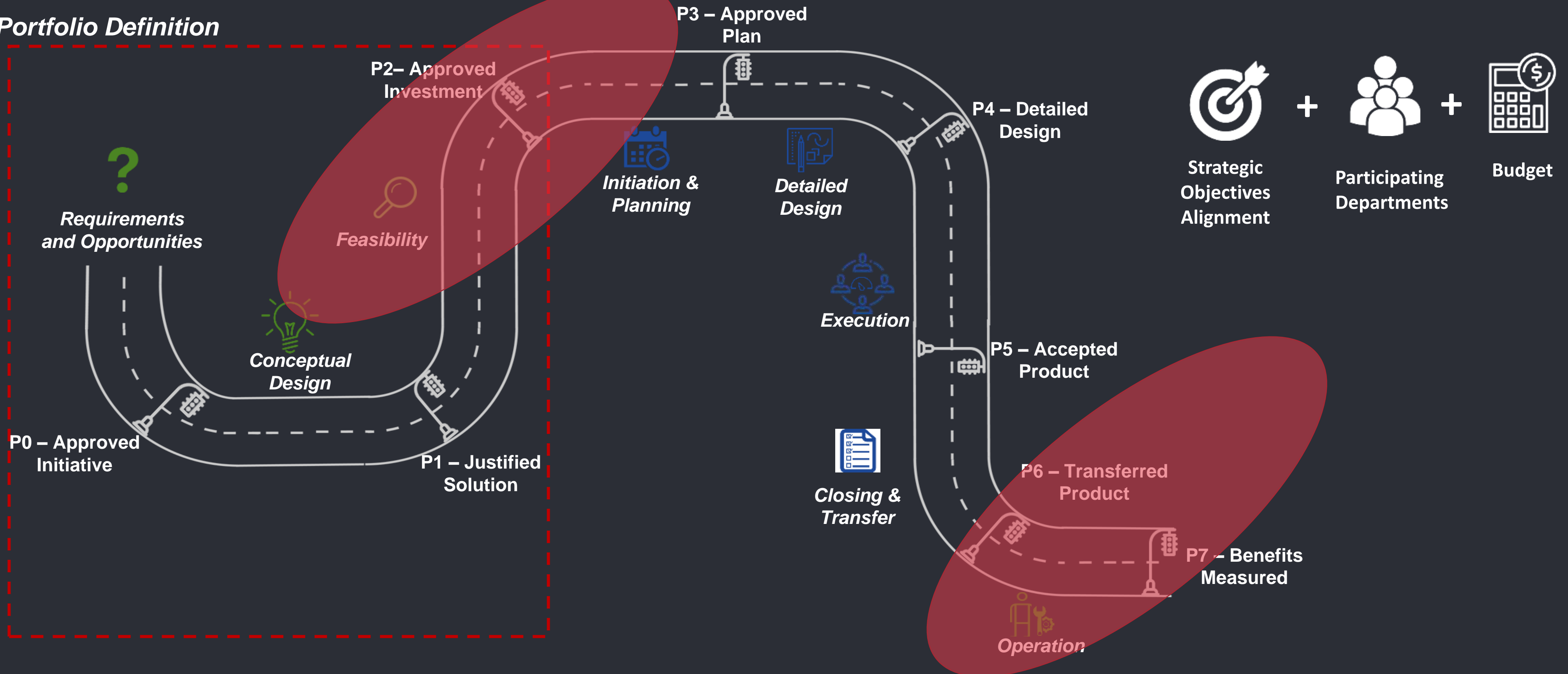
Best practices implementation around the world

- **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



Benefits Definition

Project / Program Management

Benefits Realization

Portfolio Management



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**Practical
Thinking**

Think Different,
Think Practical

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