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A NEW APPROACH FOR PROJECT MANAGEMENT IN THE TREASURY OF RIO GRANDE DO SUL

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Objective

Project management has been, since the second half of the last century, a subject that has risen much interest and studies from researchers and by the organizations that use them. The reasons for this interest are easily noticeable.

Projects are unique. To try to understand how to deal with the unknown and how to build solutions that are adequate for the majority of cases is really challenging to everyone that thinks about the subject. The organizations are very interested in the improvement of the efficiency and efficacy of their projects because from them will emerge the solutions that will make the organization prosper in their areas.

Projects have an end date. This fact make projects much different than processes. Usually the organization uses the processes to perform the daily tasks. The processes grow and change with the time. They evolve, become more productive and their use makes the learning. Results of processes are easily measurable and changes in processes can improve those results. Modifications to a project during its execution can also happen but they come at a high financial cost and are time consuming.

Projects represent discontinuity. Improvements and huge modifications inside the organizations usually happens from the results of projects. Changes always bring discomfort, apprehension and difficulties during their implementation.

The following image is a graphical representation of the differences between projects and processes.
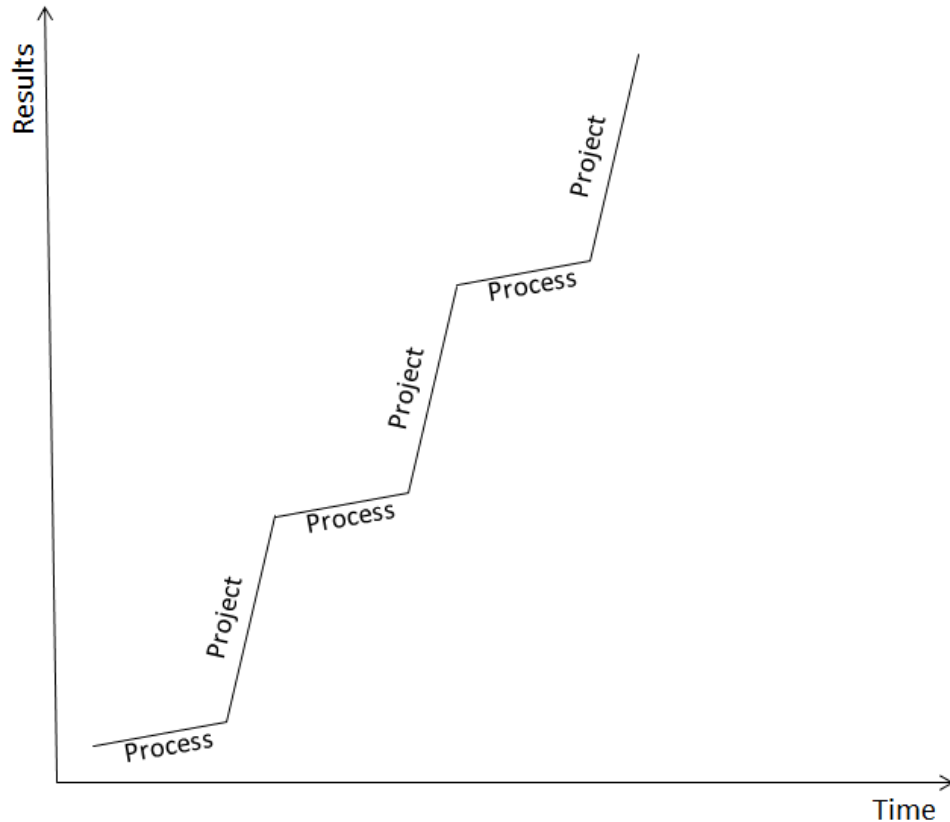
It is important to prevent a misunderstanding that the graphic may rise: it does not show that projects are more important than processes. It represents the fact that without projects the results and growth are smaller. We should never forget that processes are what makes the core business from any organization and must be performed with excellence and have much attention in their execution.

Project management does not have a unique way to achieve its goals. All the studies talk about the best practices in various situations and show what usually works. But there are no recepies ready to every case.

The objective of this paper is to do an analysys of the status of project management in the Treasury of the state of Rio Grande do Sul and to show alternatives based on studies in the area under the optic of a participant of the whole process.

Background

The Treasury of the State of Rio Grande do Sul is one of three institutions that make the Secretariat of Finance of Rio Grande do Sul. In 2010 the legislative branch of the state approved a law that altered its structure and competencies. It is a new institution that have a lot of history.

The Treasury have 200 civil servants. There are 70 in positions that demand a college degree and 130 in positions that require high school diplomas (a high percentage of this also have college degrees).

The Treasury is responsible for a number of obligations which are basically the following:

- Process the payroll of all the servers in the executive branch of the state (about 300,000);
- Release of the state budget for all entities;
- Process the payroll of all the servants in the executive branch of the state (about 300,000);
- Liberation of budget;
- Control and payments of the state;
- Management and payment of the state debt;
- Management and payment of judicial decisions against the state;
- Preparation of studies in various areas of public interest.

Divisions perform these complex and highly demanding tasks. Because they are so disparate, complex issues in their nature and the recent reformulation of the areas, there is little inter-relationship between the divisions. We have a functional management model which leads to difficulties in the implementation of a systematic project management model since, as can be seen in the table below, it ends up giving little authority to the project manager, the division heads control the resources and the project managers only work part-time in the projects.

| Organization Structure / Project Characteristics	Functional	Matrix			Projectized
		Weak Matrix	Balanced Matrix	Strong Matrix	
Project Manager's Authority	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Resource Availability	Little or None	Limited	Low to Moderate	Moderate to High	High to Almost Total
Who controls the project budget	Functional Manager	Functional Manager	Mixed	Project Manager	Project Manager
Project Manager's Role	Part-time	Part-time	Full-time	Full-time	Full-time
Project Management Administrative Staff	Part-time	Part-time	Part-time	Full-time	Full-time

The Secretariat of Finance of Rio Grande do Sul has strategic planning since the mid-1990s. By bringing together three different areas, each with its own needs and different ways of management, its implementation lead to two macro-processes: 1) establishment of strategic goals and ways to achieve them, and 2) monitoring them.

However, there has never been a centralized and standardized strategy for dealing with the management of projects.

In 2011 the Treasury began a process of implementation of a strategic planning model based on the Balanced Scorecard. With the involvement of most civil servants, were updated the vision and the mission and built the strategic map. From this first movement the need for projects that support the goals of the map in order to accomplish the mission and achieve the vision emerges.

However, the number of divisions and a need for participants to see themselves represented on the strategic map we rely on a large number of objectives to be achieved in the next 10 years. And each of these objectives had to have projects that would make them possible.

Mapa Estratégico do Tesouro - 2013
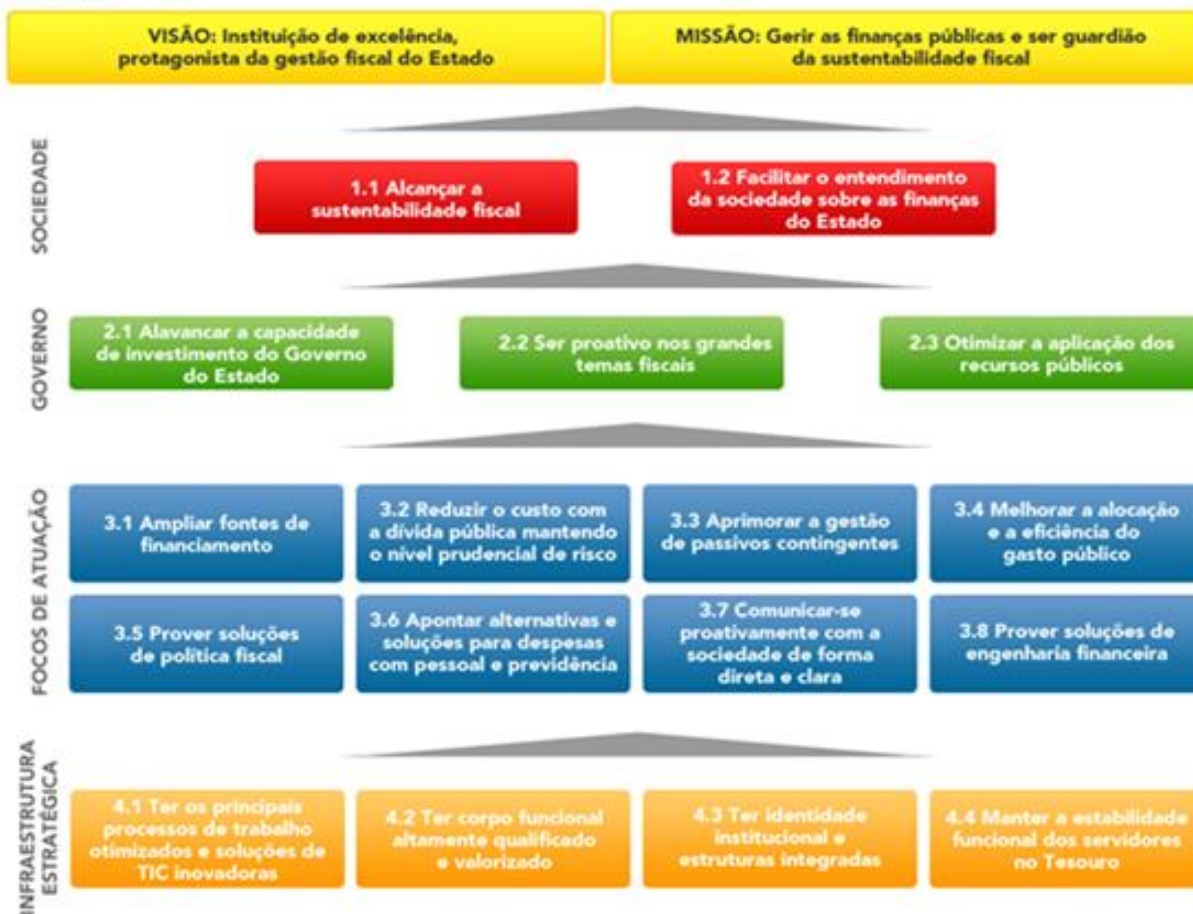
Current process

An annual meeting to validate the strategic map happens. At these meetings, we discuss the strategic goals and if them remain suitable for the achievement of the mission and vision. In 2012 there was a change on the map with the reduction of some goals and in 2013 there was no change.

Then we have meetings for each objective. Participate in these meetings the person in charge of the goal, the head of the division directly responsible for the objective (in many cases these roles belong to the same person) and the staff from the planning department. We discuss the best ideas to be implemented in the next year and the civil servants who will be in charge of the projects. After all the meetings are done, an analysis of the projects is performed to eliminate projects that are not viable. Generally, few projects are cut at this stage.

Project managers write a project charter and with that data the management software of the Secretariat of Finance is completed.

Items of interest for analysis in the current model

Culture

Generally, an institution presents an incipient culture of project management before they start their formalization, setting standards, rules and monitoring. However the Treasury did not had this incipient culture. It is a compliment to the management team the fact that it is ahead of its time. Is trying to create and modify the culture of the Treasury seeking to expand the results and deliverables that the institution makes to the society. But the establishment of standards, procedures and ways of trying to foster this culture from the top down have not shown the expected results. There is a lack of involvement in the projects of its managers and stakeholders associated.

By drawing a parallel of the project management model that we have tried to adopt with how we implemented the strategic planning model - which is a success - we can see that there were significant differences. There was no grassroots participation in the design and development of the process. It came from above, ready and without discussion. This is even more evident in the choice of project managers who in some cases are unaware that they will participate on then.

### Incentives for project managers

In the current model, there is little incentive for civil servants to become project managers. They take responsibility, stress and commitment with complex tasks, that are not well planned and that will be measured. They receive little guidance and assistance. There is a high marginal cost associated with taking on a project and a low marginal benefit.

Time for planing

There is no doubt, shown in many studies, for the fact that planning is one of the most important stages of a project. There is the 1:10:100 rule that makes the correlation between the time and cost during the planning, implementation and operation in projects. Each hour not expended in planning will represent 10 hours to correct during project execution or 100 hours when the product of the project is already in operation.
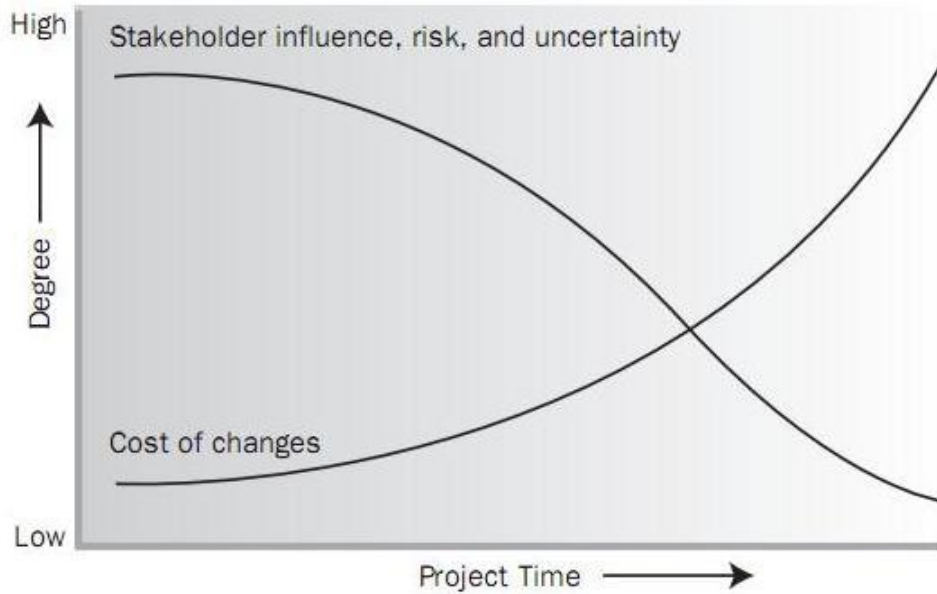
However, the current process does not provide the conditions for a good planning. Looking at the two images below maybe we can find some indications of the whys of not having a focus on planning.
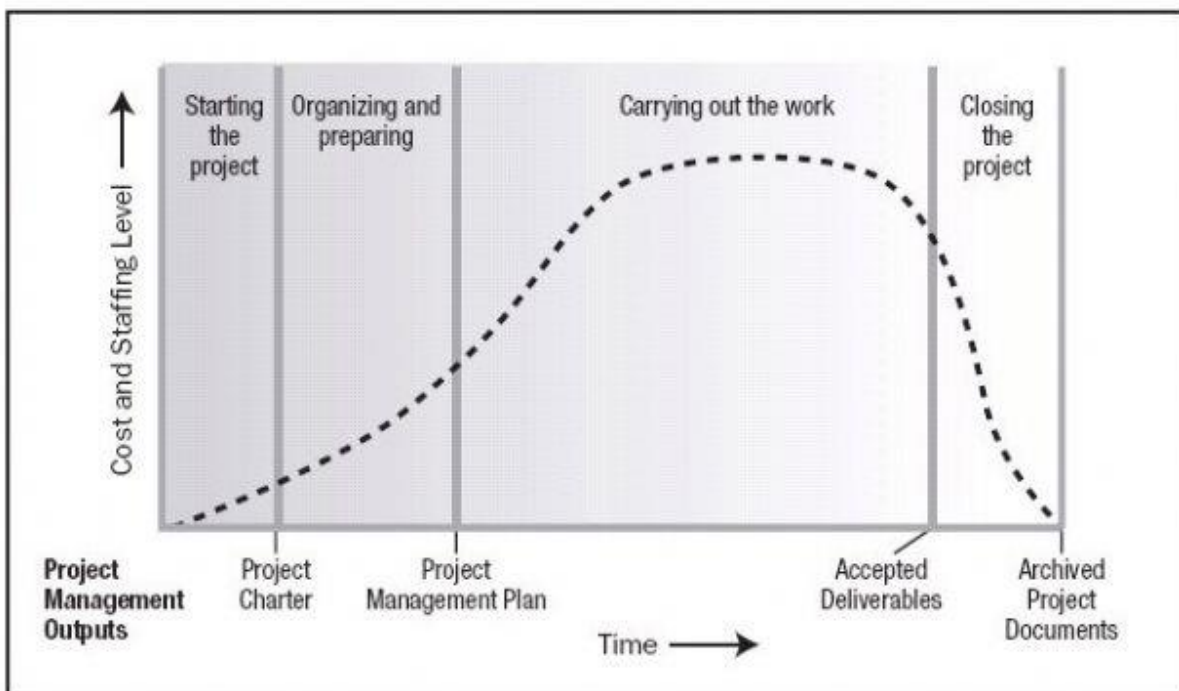
We can see that the greatest amount of cost and human resources commitment happens in the project execution. But this information is not complete because it should be considered that the result of this execution comes from the planning stage.
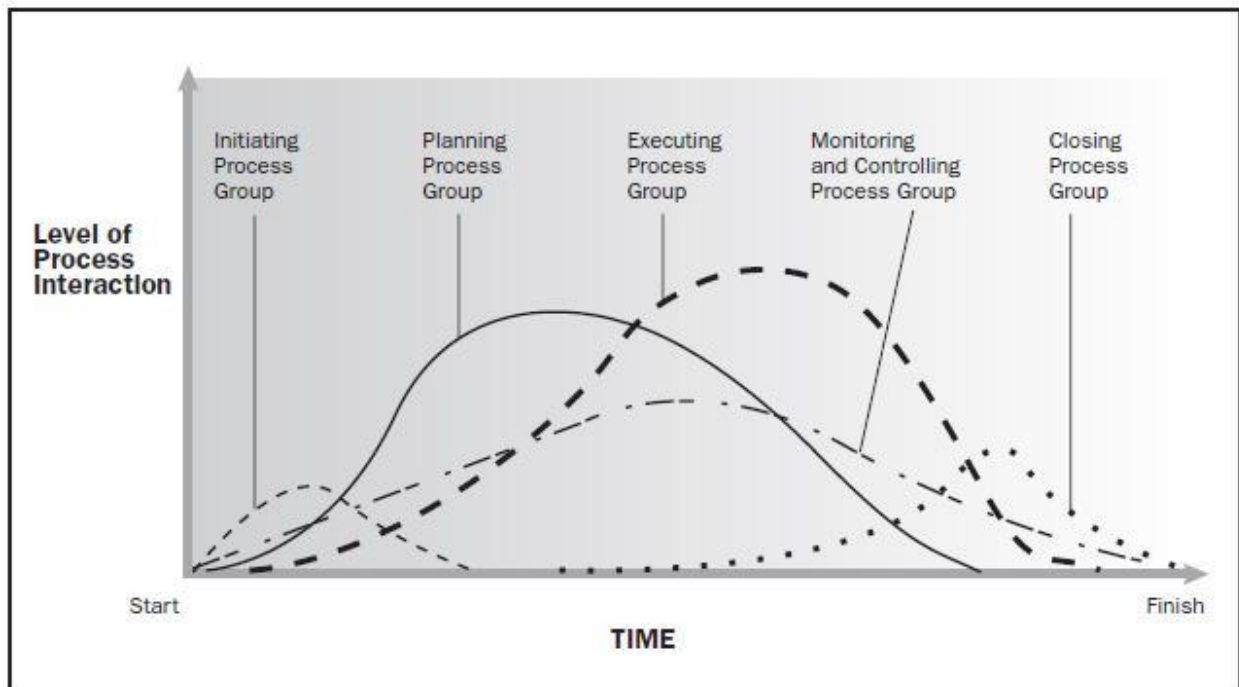
This image best represents the extent and duration that one quality planning should have.

The projects in the current model are selected from only ideas instead of previous studies and discussions. The project manager assigned often do not participate in the discussion of the idea and have to understand what it is the project to be able to generate the charter that parameterizes the project throughout its duration. All this happens in the last three months of the year when current projects are usually in their final stage requiring care and attention. At the same time the demand for the day-by-day

operations is at a high. We know that planning is key and that will guide the life of the project, we expect that managers have time to do proper planning but do not create the conditions for this to occur and choose them in a non-participatory manner. Very difficult that the results of this process will be great.

If during the last quarter of the year there is an accumulation of activities at the end of the projects, planning for next year and high demand for the day-by-day tasks, in the first quarter of the year we have almost all civil servants vacations. This ends up representing a rearrangement in the distribution of tasks within the divisions with accumulation of activities to compensate for absent colleagues. We must rethink the timing of project management as a whole so that it is appropriate and is realistic about the circumstances and results expected of it.

Selection of project managers

A project manager needs to have a series of characteristics that are not found in all professionals. Must like challenges, have a broad overview of the project and the reality in which it is inserted, have good interpersonal relationships and be willing to make mistakes and learn from them. Knowledge in the project area are a plus. We should be aware of these factors when making choices and know that not only because we say someone is the project manager, it will actually be one.

Multi-tasking cost

Studies show that there is a cost for performing multiple tasks at the same time. Switching from one task to another demand a mental work that results in reduced efficiency. The greater the complexity and amount of these changes bigger will be the cost of performing multiple tasks at the same time. Having two tasks, making them at once rather than one at a time, may represent an increase of up to 40% in the time required and a decrease in the same percentage in the quality of the work.

A	B	C

A	B	C	A	B	C	A	B	C
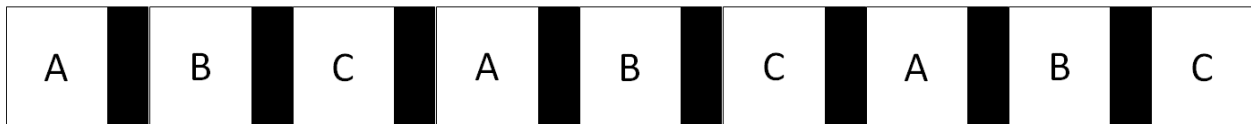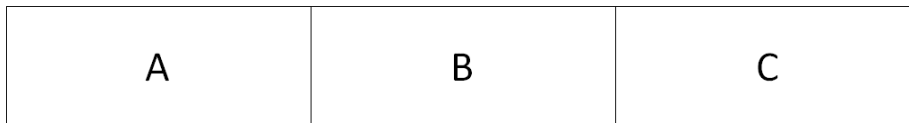
Integration with other areas of public administration

The Treasury works as a middle area for all of the state public administration institutions. Almost all projects involve directly or indirectly an institution outside the Treasury. It is very important for the study and planning of projects that negotiations with these institutions be made seeking their participation in all stages. Identify and integrate all stakeholders is a fundamental premise for the success of a project.

Monitoring

Having a smaller number of projects will cause the institutional area to accompany and assist in a better way the projects. Help and understand. Assist in the preparation, implementation and monitoring. With the current model and the staff available in the area is hard to do it in a satisfactory way. This would be a very welcome aid for project managers since there is often the need for an external way of thinking that can help in times of trouble bringing experiences and knowledge gained in previous projects.

Opportunity cost

So decisive for the results as the choice of what to do is necessary and essential to know what you do not want to do. Resources are limited, time is scarce and the needs are many. However, doing several things at once and delivering less than expected can become more frustrating and costly than making a planned, slow, perennial and well-sustained process.

Clear definitions of participants

Good planning will result in more robust plans, feasible and manageable projects. It will be possible to identify all the persons needed to be involved to the achievement of the objectives and the needs of all kinds of resources. That way, you can eliminate overlaps and super allocations that currently exist in the current model.

Measurement rules

Previously set clear rules for all participants in the projects as to how they will be accompanied. Establish dialogue with stakeholders so as not to be a hostage of the process. The process cannot become bureaucratic and something whose sole reason for being is the fact that it exists. The process should be used to assist in the management and to supply the management team involved with information about the status, problems and help seeking solutions to problems.

Change management process

Poorly designed projects lead to constant changes over time. Facts and circumstances that could be anticipated and mitigated during the planning only appear when execution has already started if the planning is flawed. When you have a more elaborate, lengthy and participatory planning will have fewer changes and less waste of time and resources. As projects have passed the scrutiny of various processes is important to establish a systematic change management. Thereby making the process less personal and more of the whole team.

Celebration and dissemination

Projects are unique works. It should be celebrated at the end. Making releases, publicize their results. Maximize benefits and promote understanding among all involved.
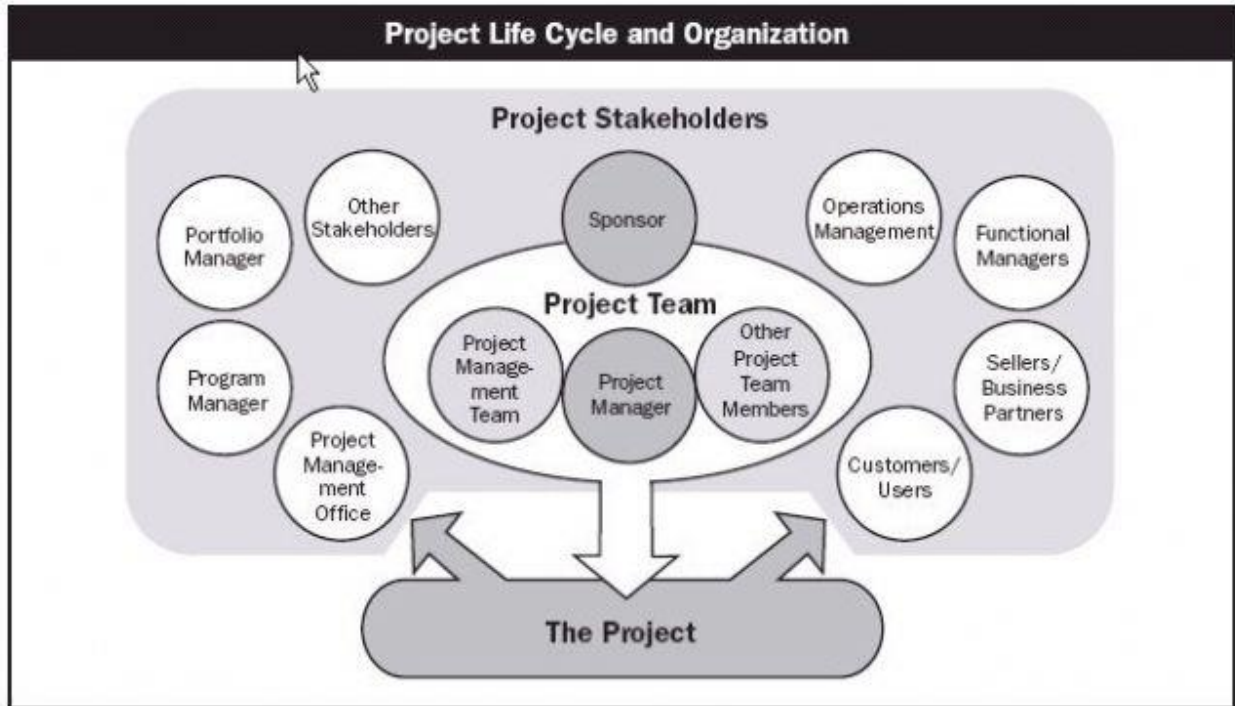
Lessons learned

Managing a project is a process that makes us more humble. We realize how things can be unpredictable, how we cannot think of all the possibilities at the start and how much we depend on others. Nevertheless, it is an enriching process. Hardly errors in a project will be repeated in other. Moreover, this experience should be divided. We cannot keep only to a small group this mass of information acquired. Others may benefit from the learnings of each one. However, here we have to have a change in culture. Understand that in projects many mistakes happen and many solutions will arise unexpectedly. We must assume the mistakes that were made and show the solutions – or lack of – that we found so that this knowledge is not lost.

Using computer systems in project management

A system of project management should be the last choice to be made in the implementation of a model management. It must meet the needs that have already been created by the development of the culture and not dictate how processes should happen.

Proposed model

Based on this information, I present a proposal to be discussed. A new model for the development, implementation and monitoring of projects in the Treasury.

Project Life Cycle and Organization

Project Stakeholders

Portfolio Manager · Other Stakeholders · Sponsor · Operations Management · Functional Managers

Project Team: Project Management Team · Project Manager · Other Project Team Members

Program Manager · Project Management Office · Customers/Users · Sellers/Business Partners

The Project

As we have seen, the current schedule is not in accordance with the needs of project management. One might think that the projects must be carried out only within six months of the second and third quarter. That way we would be making clear what is actually done, making schedules that reflect the real situation.

Thus, we would use the fourth quarter to well develop the plans and would gain in the quality and effectiveness of projects.

Furthermore, we should consider modifying the process of generating the projects. Use the time we now would have in the last quarter to hold meetings bringing together the largest possible number of civil servants and generate ideas that are feasible and lead to better-planned projects.

An initial draft of this process could be as follows. Internal meetings in the divisions with the participation of representatives of planning to do some brainstorming of ideas that can affect and improve the activities and results delivered from the area.

After we perform the survey of ideas from all areas, carry out an analysis to identify possible areas for joint projects. Thereafter it would happen a general meeting where the ideas owners would present them to the highest possible quorum. At that point there would be a new round of feedbacks. With the new data, further internal meetings would be held in the divisions in which each of them would choose two projects to make an outline planning. There would be a new meeting for the submission of the ideas and general feedback where it would be chosen one project for each area to be executed. Thus each division would have a project that would be owned by all the involved in the division and generate a sense of belonging and ownership of it.

This monitoring and discussion held during the execution of the project would be facilitated and more productive. With a smaller project portfolio, monitoring can be more productive. With fewer projects, each participant will be able to know better the information for each project. This will lead to better outcomes and deliverables.

Conclusion

Much has been achieved in a short time at the Treasury of Rio Grande do Sul. However, the needs of society, the government and the institution require that we are always seeking to innovate and evolve. Maximize the use of resources in search of the best results is the differential of the State Treasury. I hope that the issues raised here may generate discussions that lead to best practices and the development of the institution and all the civil servants that are part of it.

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