



From Pilot to Sustainment

Lessons learned implementing the Policies on Investment Planning
and on the Management of Projects



VISION · BALANCE · CHARACTER · RELATIONSHIPS · TRANSFORMATION

KNOWING WHAT WORKS IS IN OUR NATURE.

INTERIS

Agenda

Section I – Introductions & Session Overview

Section II – Policy Overview

Section III – Investment Planning Elements

Section IV – Lessons Learned

Section V – RCMP Implementation

Section VI – Questions

I. Introductions

Your Presenters

- Kelly Campbell, MBA, PMP
 - Principal, Interis Consulting
- Ruth Brady
 - Director, Strategic Investment
Royal Canadian Mounted Police

I. Session Agenda

1. Provide overview of the Policy on Investment Planning (IP) and Policy on the Management of Projects (MP)
2. Present key components of an effective investment governance framework for increasing departmental performance
3. Discuss challenges and present tips to addressing challenges
4. Share RCMP's experience in implementing the TB Policies on IP and MP

I. What you will learn Today

- ✓ Understand policy requirements and challenges
- ✓ Understand the key elements needed to establish a investment planning process
- ✓ Walk away with some tools and techniques to address challenges in your organization
- ✓ Hear from RCMP's experience in implementing policies



II. Policy Overview: Policy on Investment Planning

- What is the Policy on Investment Planning?
 - Treasury Board Secretariat introduced the Policy in June 2007
 - Replaces the Policy on Long-term Capital Plans (LTCP)
 - Scope is wider than the Policy on LTCP and includes assets and acquired services
 - The Policy on Investment Planning is intended to:
 - Align with outcomes as set out in Departments MRRS
 - Support departmental, portfolio, horizontal and government-wide priorities
 - Consider departmental and project-related risks
 - Support sustainable development and broader social and economic objectives
 - The Investment Plan document presents a department / agency's governance, investment planning cycle and framework, and planned investments for a five year horizon

II. Policy Overview: Policy on the Management of Projects

- The Policy on the Management of Projects replaces:
 - Project Management Policy
 - Policy on the Management of Major Crown Projects
 - Project Approval Policy
- The new policy is intended to:
 - Redefine how TBS identifies projects requiring their attention and oversight
 - Establish delegation levels for the management of projects within departments
 - Requires the completion of an **Organizational Project Management Capacity Assessment** and a **Project Complexity and Risk Assessment**

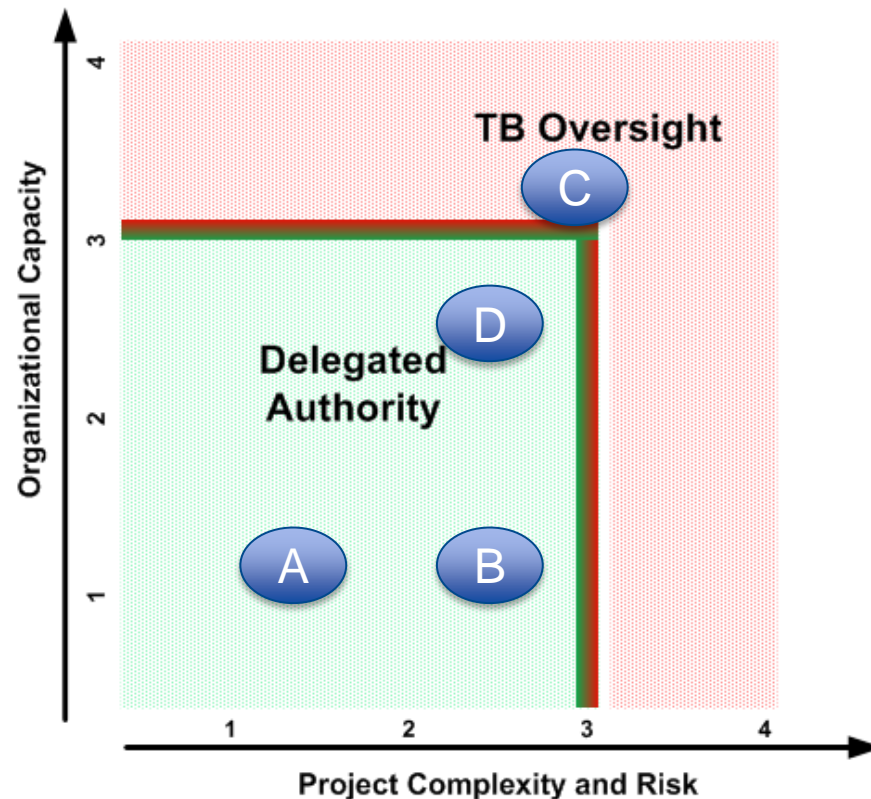
II. Policy Overview: Policy on the Management of Projects

The OPMCA is an organization-wide score, and the PCRA is scored on a per-project basis.

If the PCRA score is greater than the OPMCA Score :

- Department is required to submit a project brief
- Department is required to submit a TB Submission
- Regular monitoring by TBS and updates to PCRA when changes occur

Example: Treasury Board Authority and Oversight relative to PCRA and OPMCA

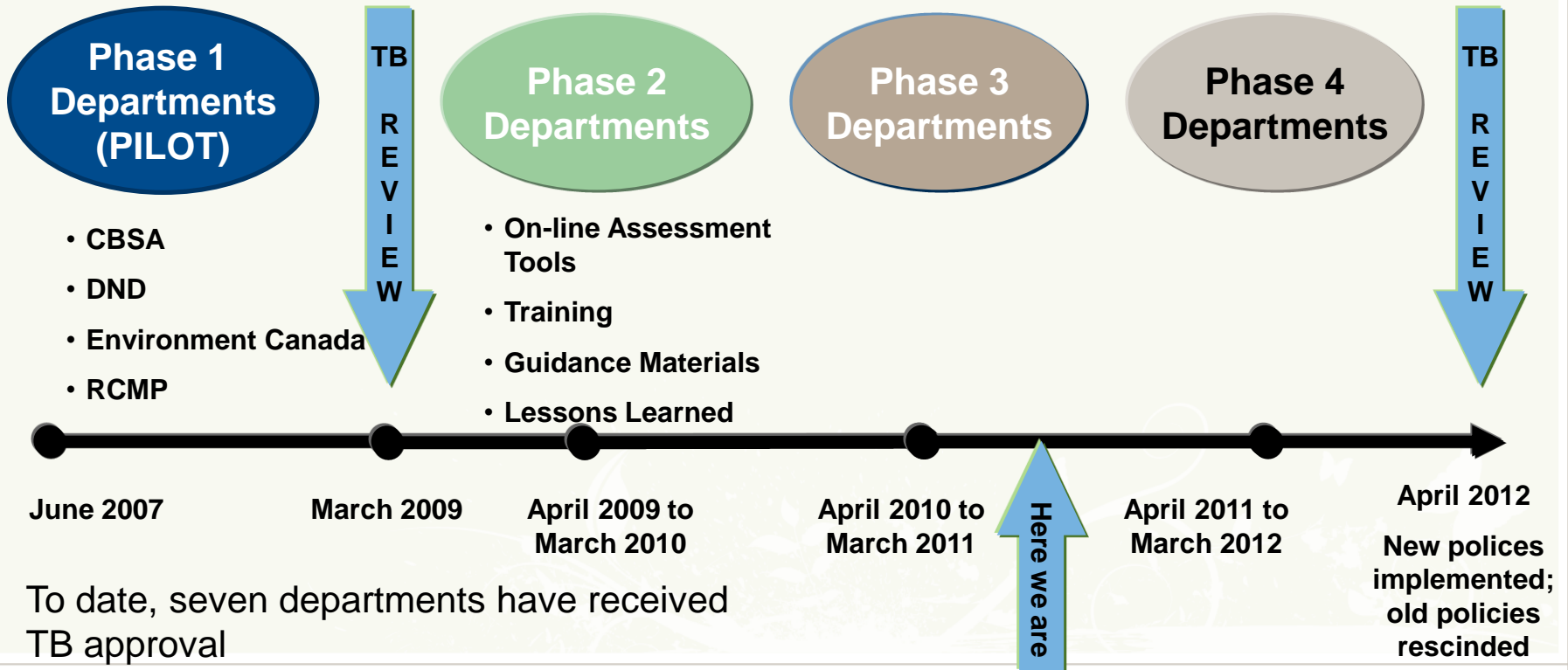


II. Policy Overview: **Phased Implementation**

* Subject to TB approval

New Policies Effective with TB approval

Former Policies Rescinded April 1, 2012*



To date, seven departments have received TB approval

II. Policy Overview: Benefits

What are the
benefits to
Departments?
*Real Property
Practitioners?*

- The Investment Planning approach brings
 - Improved accountability for management of the investment planning process, and management of investments in assets and acquired services
 - ✓ *For Real Property Practitioners this means working with clients to plan real property projects during the departmental planning cycle*
 - Greater flexibility to assess risk and complexity of investments and manage accordingly, rather than on the basis of dollar value
 - ✓ *Real Property Project Managers will have the ability to execute projects that are lower risk with less TB oversight*

Requirement

Action

Outcome

Investment Plan

Implement / enhance process for allocating resources to investments, aligned to departmental priorities

- **Resource allocation based on priorities**
- **Increased quality of information for decision making**

Organizational Project Management Capacity Assessment

Assess the department's project management capacity and make necessary changes

- **Produces quantitative, comparable results to:**
 - **Identify organizational weaknesses/risk areas with respect to project management**
 - **Measure changes in PM maturity and project complexity**
- **Avoid over- or under -investing in project management maturity**

Project Complexity and Risk Assessment(s)

Assess project risk and trigger action to mitigate or respond to risk

- **Increased quality of information about project risk to inform decision**

III. Investment Planning: Key Elements

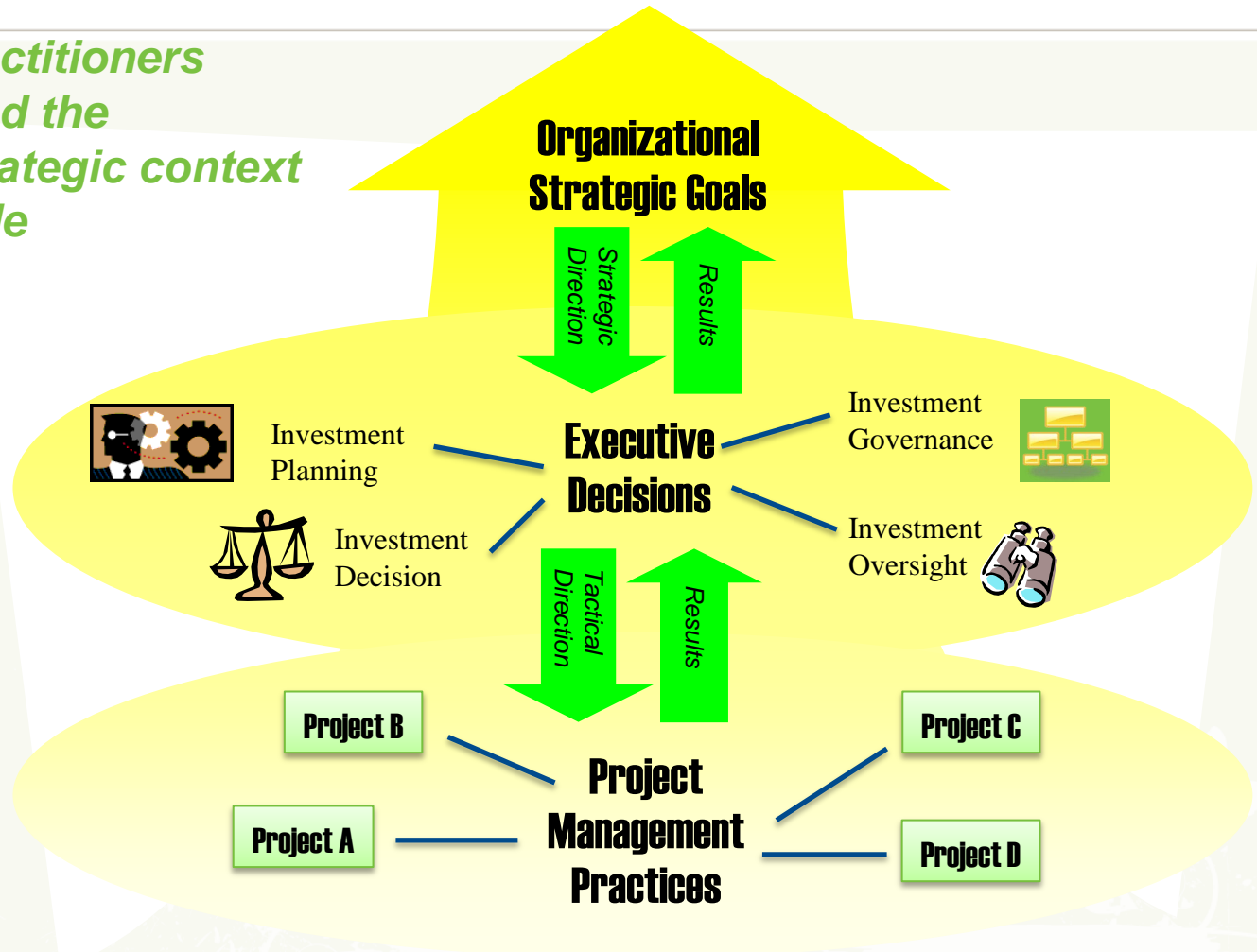
Real Property Practitioners should understand the organization's strategic context and planning cycle

DO THE RIGHT PROJECTS

Portfolio / Investment Excellence

DO THE PROJECTS RIGHT

Project Excellence



III. Investment Planning: Process

Investment Planning

- Portfolio receives strategic objectives and negotiates resources
- Establishes portfolio selection criteria and weights; revisit them on an annual basis
- Identifies possible opportunities to undertake
- Approves opportunities so that project initiation can begin



Investment Decision

- Assesses newly identified opportunities and reassess existing projects against predefined criteria
- Prioritizes and allocate resources
- Establishes oversight mechanisms for each project as appropriate; this could be a gating process
- Manages the sub-process of project integration:
 - Determine timing of projects within portfolio and project interdependencies
 - Identifies resource sharing and constraints



Investment Oversight

- Regularly reviews portfolio performance
- Examines factors such as:
 - Continued alignment to strategic goals
 - Resource allocation, capacity and capability according to project lifecycle
 - Ongoing validity of assumptions, plan and scope
 - Monitoring of risks
 - Early attainment of benefits or ability to attain benefits
- Stops non-performing projects, adds new projects to portfolio, rebalances as required



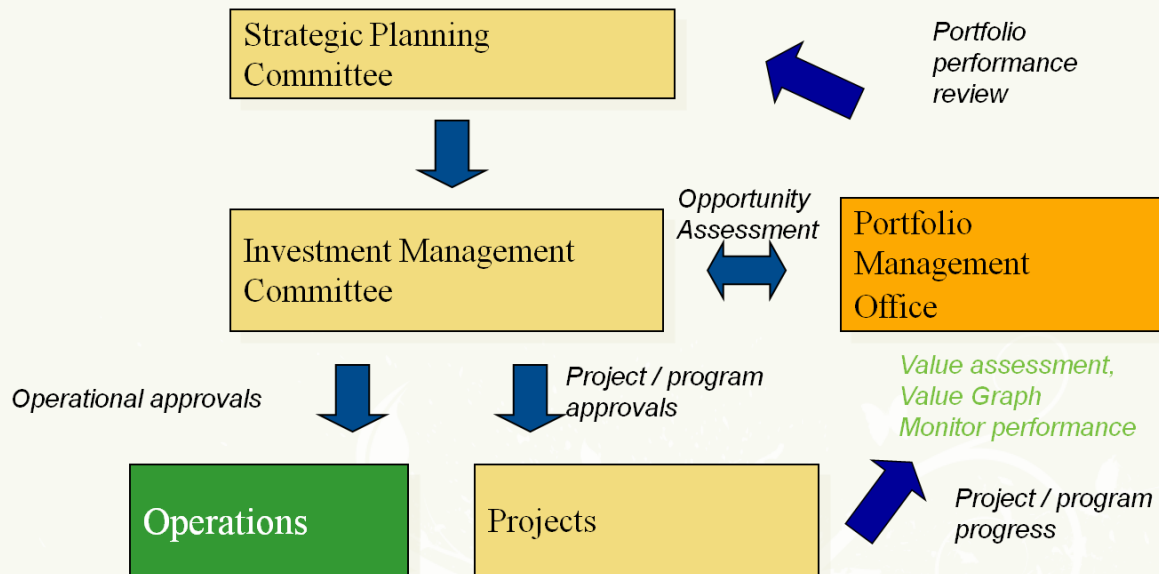
III. Investment Planning: Process

Investment Governance

- Provides direction to the portfolio at the strategic / tactical and operational levels
- Defines roles, responsibilities and accountabilities
- Establishes reporting and control mechanisms
- Resolves obstacles to the success of the portfolio



Sample Governance



Legend

Execute project
Provide progress updates

III. Investment Planning: Performance-oriented culture

Characteristics of a performance-oriented culture

- Clarity within the organization of strategic outcomes, and the activities and initiatives to achieve outcomes, as well as employees' role in achievement
- Excellence in program management – resources are managed in alignment with strategic outcomes, and work is carried out efficiently and effectively
- Regular measurement of results and use of results to guide improvement and learning
- A performance-oriented culture – achievement and results are emphasized and institutionalized through rewards and recognition practices, while balanced with emphasis on employee support and engagement

For further reading, refer to the Telfer School of Management and Interis Consulting paper titled “High Performance Organizations in the Public Sector” available at <http://www.optimumonline.ca/article.phtml?id=365>

IV. Lessons Learned

1. Be prepared – this initiative is a huge undertaking. However big you think it is, it is significantly bigger!
2. Clear definition of foundational terms are necessary, specifically definition of “Project” and “Acquired Service”.
3. Preparation of the Investment Plan is just the start of the journey. A lot of work follows to change the way departments allocate and reallocate resources. **It is important for Real Property Practitioners to understand how planning is conducted and decisions made. Need to proactively understand client needs.**
4. Stakeholder Engagement - You must get senior management sponsorship and support from the outset. These policies impact your whole organization. Build awareness with a consistent message. Then communicate, communicate, communicate!
5. Actively manage the change in your organization
6. In the self assessment process, be honest with yourselves as you self-assess, and be honest with Treasury Board Secretariat as you share those scores.
7. Engage TBS early and use your analyst as much as you can – keeping them aware of your progress and using their support throughout will smooth the final stages (rather than surprises down the road).

IV. Lessons Learned: Define key terms for your organization

Lesson Learned

Tips

Defining Acquired Services

Formal arrangements must exist and they **must** result in the achievement of a specific defined **outcome** or service

- Acquired services can support the development of / or maintenance of an asset (maintenance contracts)
- Conduct an analysis of historical spending on contracts based on key line objects within the financial system. These typically include: professional services, training, scientific services, repair and maintenance
- Based on the analysis, determine key categories of acquired services spending
- When requesting information from within department, set thresholds

Differentiating between projects and program activities

A project is an activity or series of activities that has a beginning and an end. A project is required to produce parameters.

- Projects can address strategic priorities, organizational changes, information technology
- Some program activities may use project management principles; this does not make them projects
- Questions to consider:
 - Does the investment require new resources (people, financial, accommodations)?
 - Does this investment require augmenting existing staff due to constraints or is a specific skill required?
 - Is there a beginning and an end, and will a product or service be created? Or enhanced?
 - Will the product or service that is created be transitioned to another team to manage?

IV. Lessons Learned: Define key terms for your organization

Lesson Learned

Tips

Engage stakeholders early and regularly

- Develop a Stakeholder Engagement Plan. This plan will identify activities to: increase stakeholder awareness and understanding, manage stakeholder expectations, increase acceptance, engagement and buy-in among stakeholders
- Leverage existing communication channels and provide stakeholders with the necessary information to implement or adopt the Investment Plan

Actively manage change

- Assess the change characteristics and the organization's capacity for change (e.g. what other large initiatives are underway?)
- Assess the departments history of policy implementation within department (e.g. does the organization have a successful track record?)
- Gauge the level of commitment of senior and middle management

Summary

1. **Treasury Board Policies on Investment Planning and the Management of Projects objectives**
 - Target Compliance March 2012
 - Supports departmental, portfolio, horizontal and government-wide priorities
 - Promotes clearer accountability for managing projects
 - Emphasizes department-wide management

2. **Key Elements of Investment Planning**
 - Investment Planning
 - Investment Decision
 - Investment Oversight
 - Investment Governance

3. **Lessons Learned**
 - Define terms so they reflect your organization
 - Identify a senior level champion
 - Communicate, communicate, communicate
 - Be realistic; organizational changes take years to implement



V. The RCMP Implementation



Background – The RCMP

The RCMP is a large organization:

- 27,500 employees
(18,000 Regular Members; 9,500 Public Service)
- Budget of \$4.4B; Revenues of \$1.6B
- Capital Budget of \$288M
- 2,600 Buildings
- 3,650 IM/IT Assets
- 12,500 Land Vehicles
- 300 Vessels
- 38 Aircraft



Background – RCMP Status

- RCMP was one of four “pilot” departments in the development, testing and implementation of the new project management regime
- Based on OPMCA results, in March 2009, TB approved Project Management Class 3 (Evolutionary) for the RCMP for three years
- TB also approved the RCMP Investment Plan for three years and approved significant increases to the RCMP’s construction contracting and real property transaction authorities



RCMP's Post-Approval Approach

- Getting Project Management Class 3 and the associated enhanced authorities were seen as a great success
- We need to ensure that we keep these authorities and therefore continue to improve all aspects of our investment planning, governance and project management regime
- This goal requires engagement and support from across the organization



Early Implementation Issues (1)

- Authorities were granted for three years only, including the contracting and transaction authorities
- Also, projects that had already received PPA from TB still had to go to TB for EPA and/or approval to use the new departmental authority – this required a “transition” submission for a number of projects
- Certain concepts were still evolving, including the required involvement from TBS when new projects were to be approved internally



Early Implementation Issues (2)

- Internal infrastructure had to be updated, improved or developed to support the new approach:
 - Revised delegation matrices
 - Updated all RCMP administrative policies
 - Developed IP guidance documents
 - Enhanced policy and technical support
 - Created processes to better integrate investment planning
 - Established a committee to enhance and coordinate capital planning and project management
- By the time it was approved, the first year of the IP was almost over



First Steps

The RCMP developed a task list and an Action Plan based on:

- Issues that had been identified during the pilot phase
- Implementation issues mentioned in the previous slides plus experience in working with the new regime
- Issues and shortfalls in our capacity as identified through the OPMCA



Actions Taken To Date (1)

- Protocol developed with TBS regarding their involvement in the insertion of new projects to the IP and updates of the IP
- Updated delegation matrices to reflect new authorities
- Developed a Risk and Performance Management Framework and a Project Risk Management Tool (still being finalized)



Actions Taken To Date (2)

Established the Strategic Investment & Project Management Branch composed of:

- a Strategic Investment group
- a Project Management Office, including a Centre of Expertise and a Project Delivery Office

Mission: To ensure excellence in integrated investment planning and project management in the RCMP

Vision: To make the RCMP a model for sound investment planning and project management practices in the Government of Canada



SIPM Functions

Strategic Investment

Strategic Direction/Dept'l Capacity

- Strategic Planning
- Engagement
- Policy and Guidance
- Capacity Assessment and Development

Departmental Investment Plan

- Coordinate PCRAs
- Develop RCMP Investment Plan
- Support IP Working Group

Strategic Monitoring and Reporting

- Performance & Trend Analysis
- Risk Analysis
- Reporting

Develop TB Submissions

Project Management

Centre of Expertise

- Practices, Governance & Tools
- Training
- Information Management
- Project Monitoring & Reporting
- Professional & Technical Services
 - Architectural & Engineering
 - Planning & Coordination
 - Contracts
 - Cost Estimating

Project Delivery

- Strategic
- National
- Joint
- Projects outside of Programs
- Regional



Actions Taken To Date (3)

- Developed and published a guide on the use of the PCRA
- Drafted a number of policy and guidance documents:
 - Policy manual on Investment Planning and Management of Projects
 - Investment Planning Framework
 - Investment Planning Guide
 - Engagement Strategy
- Developed a proposal for strengthening Governance

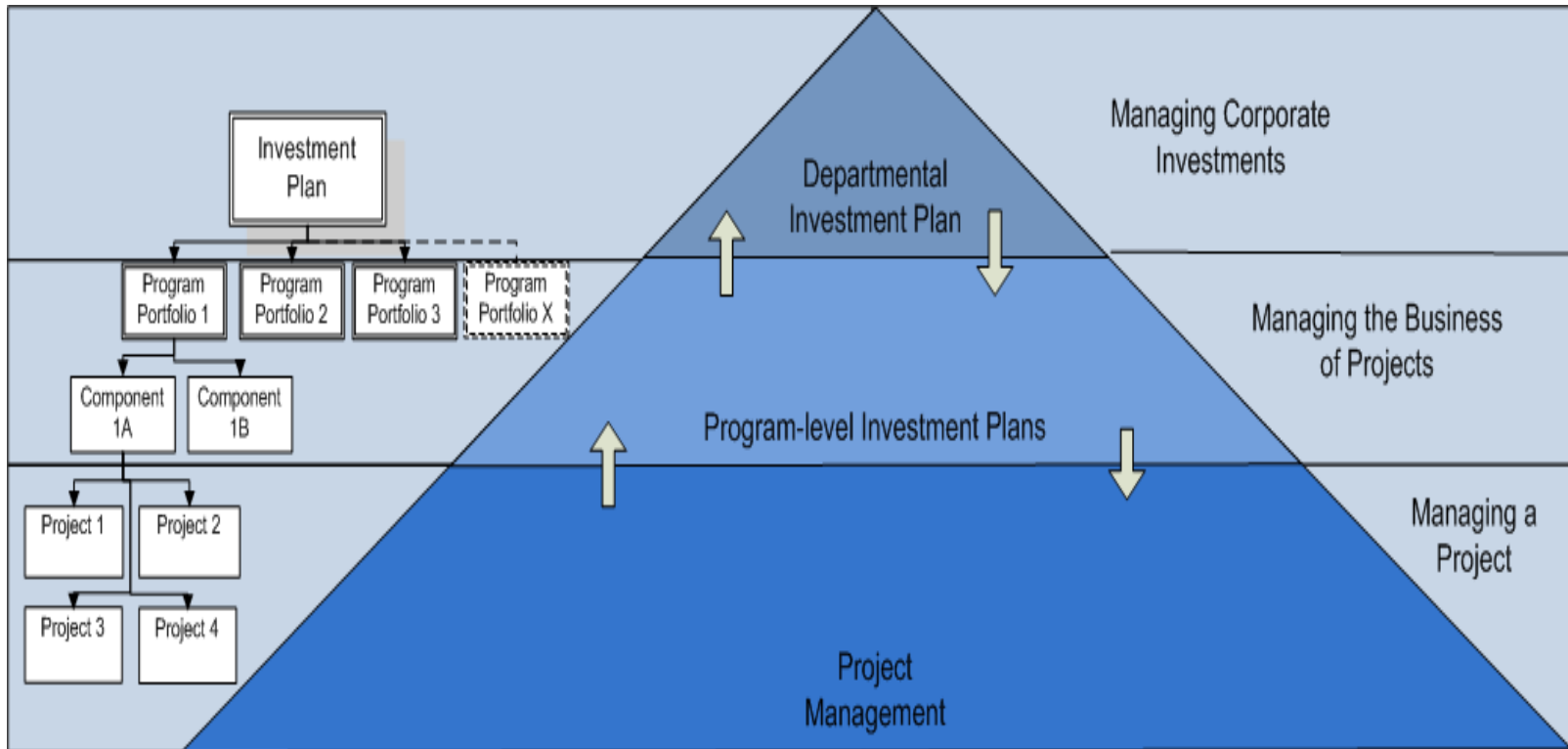


Actions Taken To Date (4)

- Introduced a Project Dashboard to track and report on the overall health of projects in the IP across the Force
- Using existing capabilities in SAP to develop the information system for both IP and MP
 - This will ensure force-wide access to project information and consistent information for purposes of tracking, oversight and reporting
 - The project will be undertaken in three phases aligned with the different levels of Project Management



Tiers of Management





Actions Taken To Date (5)

- Begun reviewing and updating RCMP Project Delivery System – considering PRINCE II
- Recently finalized a comprehensive update to the TB approved IP
- Strengthened internal communication and coordination with key departmental stakeholders
- Increased external engagement (e.g. through TB Project Management Advisory Committee (PMAC) and newly formed PM Community of Practice



Actions Taken to Date (6)

Actions related to human resources:

- Recruiting qualified candidates at the entry level
- Providing ongoing support for enhanced project management training
- Developed Project Manager (EG) Recruitment and Development Program – over a 36-60 month period participants are developed to enable them to take on the role of Senior Project manager



Is It Worth It?

Absolutely !

- It has already resulted in a number of specific benefits:
 - improved co-ordination and planning across the Force
 - consistency in approach to management of projects
 - improved monitoring and reporting
 - proved to be significant in re-negotiation of contract policing service agreements
 - reduced number of TB Submissions – better use of resources
 - Increased flexibility to respond to changing priorities and pressures



In Conclusion

- This is a continually evolving process
- It is transformational and requires a culture change
- We have only begun to realize the potential benefits
- Sharing leading practices and lessons learned will help us all to move forward

For more information...

- Thank you for your participation today!
- For more information on the contents of this presentation, please feel free to contact me as follows:
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QUESTIONS?

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