Maturity in Project Management Series¹
This is the 12th of a series of articles on PPPM

Project Management Maturity:
The Brazil Central Bank Case Study

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Abstract

This paper shows how the Banco Central do Brasil (BCB), the Brazilian Central Bank, reached a PM maturity level of 4.2 in 2014, according to the PRADO-PMMaturityModel, starting in 2007 from a maturity of 2.1. This paper presents the general PM situation within BCB at the time of the first measurement, describes the improvement projects that were conducted for the advancement of the Bank’s PM maturity, and summarizes the achievements and benefits that were derived from the current resulting PM maturity.

Introduction

The BCB is a federal agency whose mission is "to ensure the stability of the purchasing power of the Brazilian currency and a sound and efficient financial system within the nation of Brazil." This mission is accomplished through the actions of its 4,000 employees, distributed in more than 40 organizational units. Its operation spans nationwide, with offices in nine state capitals and headquarters in Brasilia, the nation’s capital city. To frame this mission within its global context we note that Brasil ranks number 7 in the world in the value of its Gross Domestic Product (GDP), as shown in Figure 1, just after the United Kingdom and ahead of Russia and Italy.

Since the BCB is an institution whose actions reverberate in both national and international financial markets, its work processes are well defined, and supported by stable and lawful standards. All projects that introduce change within the national financial system are obviously extremely important to a nation’s economy and political stability.

BCB realized in 1998, due to a crisis in the Brazilian banking system, how projects were important to position the organization to face the challenges of the market. During that year, with supporting resources from the World Bank, projects were implemented with the objective to modernize some of its working processes. The first core of project management comes from this moment.

¹ The Project Management Maturity series of articles, mainly by Russell Archibald & Prof Darci Prado, is based on their extensive research on this topic in Brazil, Italy, the United States and other countries. Russ is one of the pioneers in the project management field and the originator of the Archibald Project Categorization Model. Darci is the developer of the Prado Project Management Maturity Model which has been successfully implemented by many organizations in Brazil and elsewhere. More about this model and related research can be found at http://www.maturityresearch.com/.

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Today, in 2014, the organization has four project offices (three departmental and one corporate). Departmental offices are located in departments that plan and conduct their work in a projectized manner. These are the:

- Department of Planning, Budget and Management (Corporate PMO-Espro),
- Integration and Surveillance Support for the Supervision Area (Degef),
- The Corporate University of BCB (Unibacen), and the
- Department of Information Technology (Deinf).

The Corporate Project Office (Espro) is a division of the Department of Planning, Budget and Management (Depog), under the jurisdiction of the BCB Deputy Governor for Administration.

The annual portfolio of corporate projects has around 80 projects in 2014, distributed in the various stages of their life cycles - initiation, execution and controlling, and closing. It's a portfolio that has resources of R$ 115,000,000.00² (approximately USD 50M) per year, as well as sufficient human resources for its execution.

These projects are conducted through established practices and project methodology which is in its 3rd edition (MGPro 3.0), and there is a new version in late-stage development. There are several levels of authority and several committees that enable governance and management of the project management model, and a team that is well prepared with the theme.

Having reached a 4.2 maturity level not only means the sum of points according to the several criteria of PRADO-PMMM, but also the recognition throughout BCB management of the benefits accruing from good PPPM practices.

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² Brazilian Reals
Initial Situation in 2003

Going back to 2003, we could observe, among others, the following scenario at BCB related to its project, program, and portfolio management methods and practices:

- Several methodologies;
- Different processes;
- Lack of standardized tools;
- Limited capability in PPPM practices;
- Only two PMP certificated professionals;
- Few strategic projects;
- Diffuse sponsorship;
- Lack of prioritization criteria;
- Termination of projects by starvation.

This list should not be seen as down-playing the transformations undertaken on behalf of the Technical Assistance Program of the BCB and the World Bank, the Proat, which ran between 1998 and 2004. The departmental PMOs of IT and the Supervision Area certainly contributed to the elevation of the PM maturity level of the institution. The very creation of the Corporate PMO in 2004 was significant in itself, having been a driving force in the transformation that followed.

Since its creation in the first half of 2004, the Corporate PMO created and released the methodology used for the development of strategic projects in BCB. This office also acted as consultant for project managers of the organization units in the preparation of preliminary studies and project plans, and as first level appraiser of proposed projects and proposed modifications to ongoing projects. The Corporate Projects Committee (CPC) was created and became very active. During this period the criteria for a single lifecycle for preparation and approval of strategic projects was implemented. This improvement became fully operational in 2006.

The three PMOs (Corporate, Department of Information Technology and Supervision Area) underwent assessment of the level of maturity in project management using OPM3 (PMI model) in 2004. The Corporate PMO also evaluated the level of maturity in project management using two other models: Kerzner-PMMM and Prado-PMMM. The results of both models noted, in 2004, an initial level for maturity in PM for the BCB that was less than desirable.

This PPPM maturity level indicated that the institution had achieved some success in the implementation of project management processes, but there was still a need to consolidate the culture and procedures. To continue to raise the level of maturity it was necessary to make continued investments in tools, consolidate the methodology throughout the institution, train stakeholders according to the need of each one, and to internalize procedures.

From these experiments in using maturity models, BCB decided to use the Prado-PMMM model for periodically measuring its evolution. This choice was based on the following criteria:

a) adaptability of the model to various areas of the organization, allowing corporate and department maturity assessment;

b) adequacy of the model to Brazilian organizations;
c) applicability of the model for public organizations;
d) possibility of using the model without external assistance;
e) use of the assessment result for the definition of improvement actions.

These improvement actions were structured in three sequential projects executed in the following years, the last scheduled for completion in November 2014.

The Project PM Maturity

The first project, carried out between April 2006 and May 2008, aimed to identify the necessary actions for raising the level of maturity in project management within BCB. With this effort, it was expected also to meet the following secondary objectives:

- maximizing the use of the financial resources of the Redi-BC (Budget for BCB Institutional Development) in a structured and optimized manner;
- definition of requirements for rigging the PMOs with the tools and software necessary to perform their functions;
- definition of a PM capability plan for managers, PMOs, senior managers, project managers and employees; the training should encompass and internalize concepts, according to specific needs;
- settling of the PM culture in BCB.

To achieve these objectives, the measurement of PM maturity by an independent consultant organization was included in the scope of this project. This work was conducted by the Institute for Managerial Development (INDG), which found in 2007 a maturity level of 2.16 for all of BCB.

Several other actions were included in this project. The analytic structure (WBS) consolidated actions in these three pillars:

1. **People:** Development of technical and behavioral skills in PM for the various actors;
2. **Methods:** Implementation and review of the methodologies of PM, Portfolio Management and Program Management (in this sequence);
3. **Systems:** Implementation and enhancements of systems and PM tools.

In addition to these three pillars (people, methods and systems), the project WBS includes the dimensions of communication and maturity assessment.

For each of these three pillars and two dimensions, a specific team was assembled under the project to study and develop actions. A sixth group, responsible for managing the project as a whole, completed the project organization chart.

Although they were dealing with different topics related to PM maturity, each group followed a similar path in searching for the necessary actions to increase the maturity of the institution, involving five steps:

1. Understanding of the topic for which the group is responsible and the activities to be undertaken;
2. Mapping the current situation of BCB for each dimension;
3. Diagnosis of the current situation, identifying areas where improvements are needed;
4. Developing an action plan for implementation of the activities identified in the previous step; and
5. The implementation of the action plan.

From the five steps, only the first four were encompassed by the scope of the project. The last step, the implementation of an action plan to increase the level of PM maturity in the respective dimensions, was part of the second project, which was presented to the CPC (Corporate Projects Committee) for approval after the completion of this first project.

The project objectives were achieved: the degree of maturity was identified and an action plan for its elevation was created. The next step was to design and propose a project that made such actions feasible.

The Project Maturity – Implementation

The second project, carried out between May 2008 and May 2011, aimed to raise the level of maturity in PM of the BCB through the implementation of the actions identified in the previous PM Maturity Project.

This goal was achieved by executing the following major actions:

- Conduct training in PM for the BCB employees that are dealing with projects, according to the identified needs, aiming at the implementation of the Centre for Studies in Project Management (CEDEC-PM).
- Publishing procedures and fostering culture in PM.
- Conducting periodic diagnostic of PM procedures that are strategic for BCB, with the purpose of proposing improvements.
- Improvement of processes and adequacy of the practice of PM methodology.
- Acquisition and implementation of an enterprise management computer solution for projects and portfolios.
- Conducting diagnoses to evaluate the level of maturity in the BCB every year.
- Elaboration and implementation of the plan for CEDEC-PM within the Corporate University of BCB (Unibacen).

Raising the maturity from 2.16 to 3.2 was set as a goal. This new level of maturity had direct correlation with the questions and parameters of the PRADO-PMMM model, besides the actions that were planned for the project. Thus, the project team performed the monitoring having as a framework the desired maturity goal.

One of the highlights of this project was the design and operationalization of CEDEC-PM in partnership with Unibacen. It was the conviction of the Corporate PMO team that a center like this would produce a leveraging of maturity in the institution’s projects. Among the desired benefits achieved with this center are:

a) Dissemination of a mature management culture;
b) Creating a community in project management;
c) Improvement of management practices;
d) Dissemination of PM methodology and processes in BCB;
e) Improvement of managerial competences like communication, negotiation and leadership;
f) Identification of viable means of training for senior management;
g) Training of actors in specific PM tools and in the institution’s own computerization system.

The initiative proved successful. With a semester calendar, Cedec-PM has offered over 1,000 training opportunities since 2008. There is also the ongoing preparation for the PMP certification that has certified 43 PMPs in the Brazilian Central Bank, of which only 10 were certified in 2013. It is worth mentioning that there are now 54 PMPs working on BCB projects.

The subject “project management” also has gained a permanent agenda in the institution, as seen in submitting new corporate projects, and in the events organized by the Corporate PMO. Even after six years of the first actions of training, the demand outstrips the supply of courses by Cedec-PM.

This project promoted the improvement of the methodology and procedures of project management. The roles of the CPC were strengthened, executive committees were designed and implemented and there was created the figure of PM Agent (focal point in each department). The model of structured portfolio management was strengthened significantly.

The executive committees for projects were a good solution for the organizational model of BCB. The institution has a clear and strong functional-like structure, so project managers still have no formal power to allocate organizational resources. These committees, formed by the chiefs of the departments involved in the production of the products by each project, act as sponsors and decide on the allocation of resources.

Each executive committee meets between three and four times a year and may be convened by the project manager in exceptional situations. It is up to the members of each committee not only to evaluate the deliverables and the project’s progress, but also decide on issues that demand a high level evaluation on the part of sponsors, that are above responsibilities of the project manager, such as prioritization and people allocation, changes in time and costs and significant scope changes, among others. Thus, the question of the formal power of the project manager was solved.

In the previous Project, benchmarking studies had been conducted for the choice and specification of a corporate computer system for the management of all phases of a project life cycle. In this second project bidding, implementation, testing and operation of the new system were made. In January 2011, 80% of corporate projects had already migrated to the new tool (HP PPCM3) and new projects initiated only using this tool.

The new system consolidated the maturity reached by the BCB, which in that moment had already passed 3.0. The computer system records the entire lifecycle of a project and allows you to track schedule, budget, risks, lessons learned and changes in scope, time and cost. It is noteworthy that the system was customized to receive financial data each day, which allows you to use earned value management to monitor projects.

The features of BI (Business Intelligence) and graphs allow you to create specific views for the operational, tactical and strategic levels of the institution. The Corporate PMO is prepared to have effective real time control about the situation of each project.

Procedures, human aspects, tools, communication and maturity model, all these were dimensions covered by the actions of this project and all advanced with equal priority. So, to consolidate the achieved level became a natural step and that was the object of the next project.

**Project Maturity – Consolidation**

With the target of 3.2 achieved in the previous project, the next challenge was to raise the maturity to 3.8. In this next-level we have not only confirmed that there are methodology homogeneous processes, professional skills, involvement of senior management and strategic management through corporate portfolio, but also knowledge management.

It is necessary that the projects bring benefits to the organization and that the rights and wrongs of past projects are taken into account in the following projects. It's not enough to do well, you must keep on doing well for some time. Thus began this Project, intended to consolidate the maturity that was reached.

The Maturity Consolidation Project was initiated in June 2011 and had a deadline for completion in November 2014. Its objectives are to consolidate the advances in management obtained with the increasing of maturity level of PM at BCB and to ensure a suitable organizational environment for a level of excellence in conceiving and conducting projects, programs and portfolios.

Since acting in the same dimensions that proved successful in previous projects, this project has as its scope:

- **a) Human Resources**: conducting trainings in PM for BCB employees that work with PM, according to the needs identified by the UniBacen PMO, aiming the consolidation of culture and knowledge. This Project includes development of behavioral competences for Project Managers, certifications and participation in open and closed classes in Unibacen on topics related to PM;

- **b) Communication**: continuation of the communication plan for PM, which includes: publishing of PM procedures and culture, improvement of PM Community Portal, purchase of technical books, editing PM related topics books and holding events;

- **c) Processes**: improvement of processes and adequacy of MGPRO methodology, through technical benchmarking visits, analysis redesign of processes and update of the normative;

- **d) Computerized Systems**: improving enterprise solution for portfolio and project management, revising and adding new functionalities, as well as implementing program management;

- **e) Monitoring**: performing diagnostics of current maturity level each year.

This project proposed to reach a 3.8 maturity level and reached 3.9 in one measurement at the end of 2013 and 4.2 in October 2014, both conducted with the participation of Prof. Darci Prado. This score reflects the success of all actions proposed and implemented. Important to say, all these actions were planned and implemented through projects.

The Maturity Consolidation Project has been successful in achieving the outcomes proposed in its planning. The training activities continue with strong demand across all organizational units.
The communication with the community project is done in a structured way. The methodology (MGPro) has been enhanced with the introduction of new graphics and flowcharts, and it and the computerized system (SGPro) have evolved together. The fact that maturity has increased does not mean overly complex tools, quite the contrary. The methodology (MGPro) and computer system (SGPro) are suitable for various types of projects, like a simple accomplishment of an economic event or the implementation of computer systems that operate the nationwide Brazilian Payment System.

This graduating complexity of the processes and tools was also increased with a new approach within BCB for the achievement of organizational benefits: Program Management. In 2013 BCB undertook a project in partnership with the British Embassy to implement Programme Management based on the British standard MSP - Managing Successful Programmes.4

The experience proved to be innovative, because it brought a greater link between the benefits that the organization wants from its strategic planning and corporate projects and programs. It is not only necessary to do and to do it the right way, but it is necessary to achieve measurable benefits for the organization.

Thus, Program Management keeps on growing at BCB based on an innovative theoretical framework and with high patronage by institution senior managers. In 2014 BCB has two pilot programs using the new methodology.

Finally, another innovation that is rapidly growing up in its use is Knowledge Management in projects. Leveraging lessons learned from the tacit knowledge of project managers and PMO staff has always been critical for organizations. The new computer system Conhecer Projetos (Knowing Projects) is a tool for Knowledge Management that was been developed inside the institution and fosters the record of lessons learned, captures the key project documents (WBS, schedule, risks, budget, communication arrays, etc.) and shares with everyone who requests such information.

A manager might, for example, browse similar projects or specific steps, simplifying the development of his/her own project. The Conhecer Projetos is innovative because its search engine is similar to an internet search engine, a platform that every one knows well. The system itself encourages Story Telling and Chats in matters relating to projects. It is noteworthy that knowledge management is an important item in the model PRADO-PMMM, which could not be otherwise, given that successful projects are built based on lessons learned and outcome indicators.

The Maturity Consolidation Project has not yet finished, but its benefits are already overwhelming.

Achievements

These considerations motivate us to recap the achievements in these eight years of implementing actions to increase the BCB maturity in projects:

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• Single project management methodology with clear and appropriate processes adapted to the diverse complexities of projects;
• Managers at strategic, tactical and operational levels were trained in the techniques and skills required for project management;
• Modern computerized system, which allows monitoring of all phases of the life cycle of project, program and portfolio, integrated with the accounting system of the organization that make possible earned value management, and other monitoring functions;
• Communication channel with the strategic, tactical and operational levels were established;
• Training Center in Project management was consolidated;
• An active PM community has been established;
• Corporate PMO has been empowered and provides services aligned with organizational needs;
• The level 4.2 in PM maturity was achieved.

Benefits and Conclusion

BCB’s experience demonstrates the importance of developing a managerial approach based on three pillars:

1. **People**: Professional development of the various stakeholders;
2. **Methods**: Construction of a methodology adjusted to the organizational culture;
3. **Systems**: Implementation of an integrated technological solution based on the methodology.

The BCB understood that the progress in a coordinated manner across these three pillars allowed delivery of the following benefits:

a) Development of a common language across the organization;
b) Integration of PM with other managerial disciplines, such as strategic planning, budget and daily processes;
c) Dissemination of a project-oriented culture in management through the creation and articulation of a PM community;
d) Significant increase in the success of projects, putting the physical and financial performance into a new level, with the consequent increase in the performance of working processes impacted by these projects;
e) Positive impacts on stakeholders external to the institution, many of who are actively involved on corporate projects.

Every month BCB receives two to three organizations interested in knowing its progress in management. This fact alone proves the correctness of the implementation of this and the related management strategies that have been described.
This is the twelfth of a series of articles on PPPM Maturity. Click on these titles to read the previous eleven articles:

Feb. 2014: The Importance of Knowing Your Project, Program, and Portfolio Management Maturity
Mar. 2014: Foundations of the Prado-PM Maturity Model
Apr. 2014: PM Maturity for Project Categories
May 2014: Maturity, Success and Competitiveness
June 2014: The Brazilian Experience: General Results
July 2014: Impact of PPPM Maturity on the Success of Software Application Dev. Projects in Brazil
August 2014: Impact of PPPM Maturity on the Success of Construction Industry Projects in Brazil
Sept. 2014: Impact of PPPM Maturity on the Success of Organizational Change Projects in Brazil
Nov. 2014: Maturity in Project Management: The Italian Experience

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