Putting on a Project Face

BY ROB ROQUE

The public sector sometimes looks at "projects" as strictly endeavors of construction or technology. Although this is partially true, we have many other opportunities to "projectize" an organization. One might ask why an organization would want to implement more projects—which is a fair question. But managing operations as a series of projects can help an organization complete tasks more efficiently and with greater transparency. This article will highlight potential opportunities for using project management practices to create successful outcomes in organizational operations.

TYPICAL PROJECT CHARACTERISTICS

Most people are familiar with this kind of public-sector project:

Objective:
- Implement new ERP software

Scope:
- Financials
- Human resources
- Time entry
- Payroll

Schedule:
- 24 months from signing of contract

Budget:
- Professional services: $1.2 million
- Software license: $500,000

Studies of public-sector project management seem to focus on large technology and construction projects or large projects that are sponsor-funded but still focus on technology and construction. Even articles on project management principles in the public sector seem to assume that anyone who is interested in this research is focused on technology and construction. Unsurprisingly, searches for "treating an organization's budget preparation process like a project" did not yield many results. But there are opportunities for other types of public-sector processes to benefit from good project management practices.

TWO EXAMPLES FOR AN UNCONVENTIONAL PROJECT

Many processes can be treated as projects in the public sector. This article focuses on two examples: the annual budget preparation process and the year-end close and annual financial reporting process. Both have clear objectives, and each has a scope to meet the objectives. Both have schedules and deadlines. In short, both have the primary characteristics of a project. So, both should be treated as projects (see Exhibit 1).

EXHIBIT 1 | PROJECT PARADIGMS FOR "UNCONVENTIONAL" PUBLIC-SECTOR PROJECTS

EXAMPLE 1

OBJECTIVE:
Completion of the annual budget

SCOPE:
- Operating budget
- Capital budget

DEADLINE:
Adopted by last day of fiscal year

EXAMPLE 2

OBJECTIVE:
Closing of the financial ledger and filing of the annual comprehensive financial report

SCOPE:
- Government-wide financial reports

DEADLINE:
By first quarter of the new fiscal year

The rest of this article will show ways in which these two processes can benefit by following the project paradigm.

IMPLEMENTING PROJECT PHILOSOPHY

The budget process and the Annual Comprehensive Financial Report (ACFR) process are complex undertakings, particularly if an organization's objective is to introduce new techniques like implementing GFOA best practices or a new Governmental Accounting Standards Board (GASB) rule. To set up these processes as a project, just follow the same recipe your organization probably already follows for a construction or technology project.

PROJECT DEFINITION

A project is a temporary endeavor undertaken to create a unique product, service, or result. Projects typically have a beginning and ending timeframe, and they don't typically progress until the boundaries (such as scope, schedule, and budget) have been defined. This definition is important because it governs tasks by scope. If, for example, a government wants to develop performance measures or implement a GASB rule that is enacted over a longer period of time, managing these activities as a series of projects allows the organization to assign resources to deliberate tasks to achieve an outcome (product). (See Exhibit 2.)

So, let's draw some parallels between the above examples and traditional capital projects. Capital projects are typically based on a long-term vision such as the completion of a building. The building project may occur in phases, thus allowing the organization to allocate resources to the achievement of certain milestones. Apply this model to an organization that wants to implement GFOA best practices as part of the budget preparation process. As a whole, this activity seems daunting. Tackling the initiative in phases makes the tasks manageable (see Exhibit 3)

CONCEPT

Organizations shouldn't get started on a project they've conceptualized until they have a vision or definition of the product. The concept stage also outlines the general scope, budget, and authorization needed to move forward. In a classic project management approach, the project charter would be used to document these prerequisites, but in general, it isn't necessary to establish a project charter each year to form the budget or the ACFR—but the prerequisites shouldn't be overlooked.

Current trends in project management require a customer to articulate a vision of the product or outcome before the project begins. The desired outcome is rearticulated in pieces and adjusted, if required, as the product components are built. The public sector can use similar techniques. For example, if the vision is to implement a new budget practice or accounting practice, the executive in charge of the documents should be able to articulate this as part of the new process and have the patience to rearticulate and make adjustments throughout the assembly process.

ASSIGN THE PROJECT MANAGER

To ensure success, a taskmaster—or project manager—should be assigned to manage the activities. The project manager is also responsible for balancing scope, schedule, and resources. Schedules, for example, are very important in the public sector, and they're often mandated, as they are for the budget preparation and ACFR assembly process. A good project manager will manage scope to balance

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EXHIBIT 2 | ADDING TASKS TO THE PARADIGM

DEVELOP PERFORMANCE MEASURES

Phase 1: Define goals
- Phase 1a: Identify program inventory
- Phase 1b: Define goals and service level expectations for each program

Phase 2: Define performance measures
- Phase 2a: Identify what factors impact performance
- Phase 2b: Determine most appropriate measures
- Phase 2c: Determine how data will be stored
- Phase 2d: Develop format for sharing performance data

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Phase 1: Asset assessment
- Phase 1a: inventory of assets
- Phase 1b: inventory of leases

Phase 2: Update accounting system
- Phase 2a: business requirements definition
- Phase 2b: accounting system configuration
- Phase 2c: reports development

EXHIBIT 3 | ASSIGNING PHASES TO THE INITIATIVE

CAPITAL PROJECT	BUDGETING	GASB RULE
Planning	Revenue forecasting	Planning
Design	Budget requests	Asset assessment
Construction	Budget book preparation	Update accounting system
Closeout	Board adoption	Audit

> A project is a temporary endeavor undertaken to create a unique product, service, or result.

schedule and resources. For instance, the project manager may reduce scope or implement the scope in phases to accommodate resource availability.

Of course, many governments aren't big enough to assign a long-term project manager for specific activities. In these cases, the staff assigned the tasks should maintain the project manager mindset of balancing scope, schedule, and resources while not losing sight of the overall vision of the project.

In cases where organizations do have larger staff, a trusted staff member should be assigned to serve as the project manager. If possible, the executive owner of the project should avoid this role and focus instead on assisting the project manager by providing the right resources and helping with any business process change or policy change that may be required throughout the process. Although it's ideal for a project manager to have experience with the process, the role doesn't require an expert. What's crucial is that the project manager is a trusted individual who can manage tasks effectively.

STAKEHOLDER PARTICIPATION

The Project Management Institute (PMI) defines stakeholder management as a key ingredient for project success. Collaboration methodologies vary and can consist of a single representative team of stakeholders or a group of teams that represent various processes. The key is to select the methodology that fits your environment—just don't avoid it. A project void of stakeholder participation will collapse.

GFOA Consulting follows a process that was based on project experience that works to get a diverse group of stakeholders involved early in a project. The process involves forming various stakeholders into functional groups that are consulted regularly including being asked for feedback about the development of the project plan. Although individual team members may change, the functional team concept should continue as a resource to the organization and any pertinent projects.
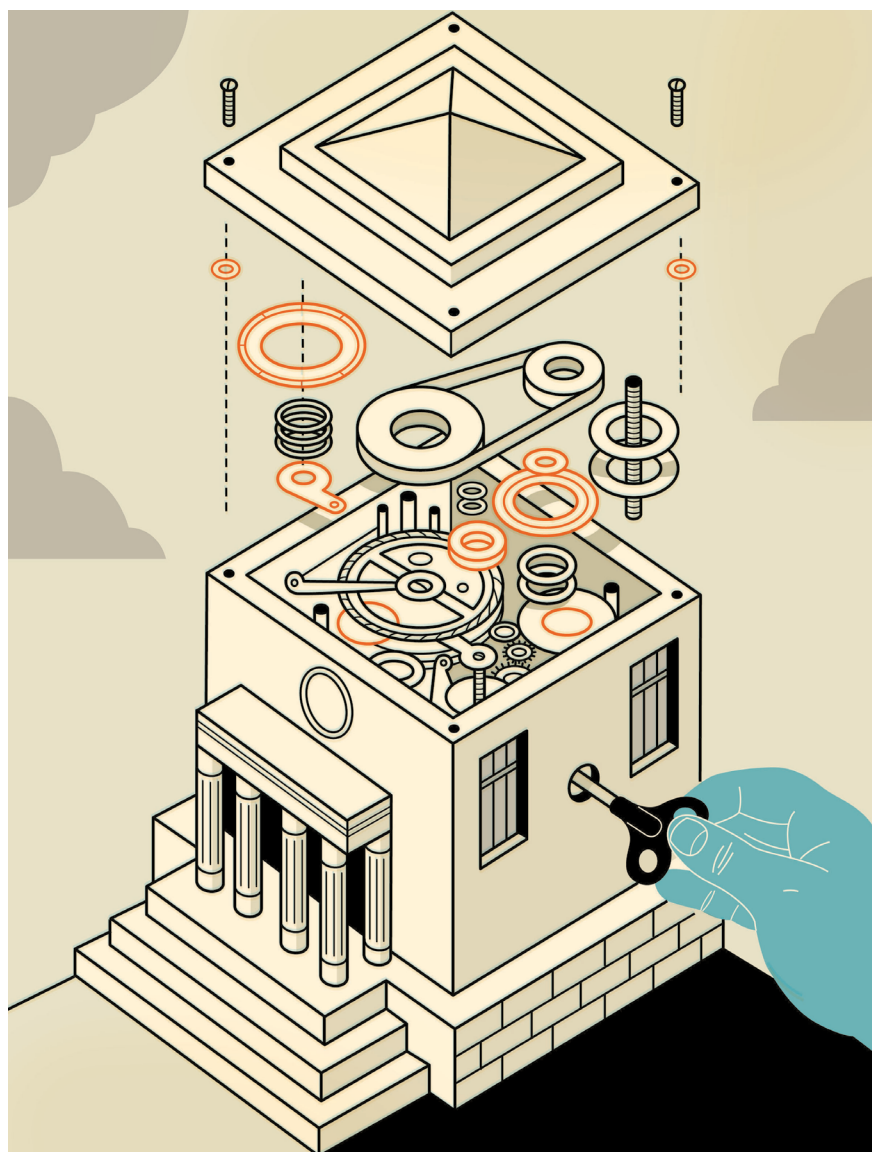
PROJECT FORM

Successful projects are managed in stages that are marked by milestones. Tasks that are key to completing the project are defined as work breakdown structures (WBS). The WBS groups are typically assembled in a project plan such as Microsoft Project in what is usually referred to as a waterfall plan. Waterfall plans are useful because they show the order of WBS to be completed. WBS elements in the plan may be assigned phases, tasks, activities, resources, and dependencies. The benefit of viewing a project this way is that it forces a project manager to think of the major tasks and the resources required for completing each task. After going through the WBS exercise, many organizations will find that they don't have enough resources to complete the project. In these cases, a more iterative approach may be warranted. In recent years, PMI has been combining the waterfall and iterative approach to project management in a more flexible Agile format, in response to the tension between complex projects and limited resources.

BEING AGILE

Agile approaches to project management were born from the software industry, and its basic premise is that the process serves the customer. The product is built in iterative steps, with the customer validating the development. Iteration

TRANSPARENCY

It's important to maintain transparency throughout the project process. Many software applications provide project dashboards, or organizations can build them relatively cheaply with office productivity tools or online applications such as Microsoft Teams and Google Sheets. Organizations become less anxious about a process when progress is being reported regularly. Effective dashboard reporting also reduces project management overhead related to repeated requests for project updates. Most importantly, communication is a key public-sector best practice and is established as an important Financial Foundations pillar.

RETHINKING OPERATIONS

Future articles will focus on the concepts in detail and the tools that can be used to facilitate the process. How is a finance officer going to be able to manage these large tasks? By adopting a project management mindset. This article has introduced the concepts of project management and the potential efficacy of project management methodology applications for public-sector operations. Future articles will focus on the concepts in detail and the tools that can be used to facilitate the process.

TAKEAWAYS

- "Projects" shouldn't be viewed only as construction or technology endeavors.
- Overwhelming tasks are manageable when treated as projects.
- Complex projects and limited resources can be balanced using Agile project approaches.
- No effort will be successful without good leadership and collaboration. ◪

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1 Many of the practices described in this article are based on practices prescribed by the Project Management Institute (PMI). PMI has developed a set of international standards that organizations follow to complete successful projects. In this article, the PMI standards have been reconciled with GFOA best practices whenever possible.
2 A Guide to the Project Management Body of Knowledge PMBOK Guide, 2017.
3 PMI refers to this adaptation of project management methodology as "Disciplined Agile."
4 gfoa.org/special/financial-foundations#pillar-2

milestones are defined by the amount of work a project team can complete within a certain time frame. Daily check-ins—known as scrums—are used to monitor progress and make adjustments. The stages of the product are shown to and verified by the customer and stakeholders at defined milestones. Similar techniques can be used for non-technology projects like assembling the budget and ACFR documents.

Consider the executive owner as the chief customer. The departments assembling the data during the processes are considered project team members that are responsible for completing certain tasks within a specific timeframe. The timeframes and activities for each time frame can be defined early in the planning stages when the amount of effort required and the amount of effort an organization can provide are defined. The project manager is responsible for establishing regular progress meetings and managing any hurdles the project team encounters. There are many ways to implement Agile principles; however, PMI recommends using the Agile tools that best fit your organization or project. This is defined as determining your ways of working (WOW).