Investment Management
The Art and Science of Executing an Investment Plan

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Fred Hardy
Regional Director
Environmental Services & Contaminated Sites
PWGSC Ontario Region
Context: Investment Planning

- Better Investment Planning - early visibility of decisions needed
- Better Investment Proposals - good information to inform decisions
- Better Monitoring and Assurance
- Better Reporting
- Focussed first on Better Investment Planning, based on Policy and strategy.
- Then focused on Investment Management, adapted from international good practice from:
  - Victoria (Australia) for Investment Logic Mapping for early problem definition and benefit identification
  - UK for 5 Case Model and staged Investment Management approach; adapted to a 4 case model
- Finally, develop a robust Monitoring and Assurance regime
Investment Management

Coordinated collection of strategic processes and decisions that together enable the most effective balance of organizational change and business as usual/operations.

It is a marked shift in thinking and a proactive process where portfolios, programs and projects are regularly assessed to ensure they are contributing and will continue to contribute to strategic objectives.

It provides discipline to ensure that funding and other resources are allocated and re-allocated appropriately to meet highest priorities.
Programs vs Projects

**Investment Programs:**

are arrangements to coordinate, direct and oversee a set of related projects and activities

are strategic change initiatives delivering capability that need to be flexible, where there are complex inter-relationships in a dynamic environment

can have a lifespan of years and integrates projects to deliver outcomes or benefits that are greater than the sum of the parts

a program business case describes how the activities and projects within the program will deliver against the strategic objectives of the organisation

**Projects**

are tactical changes delivering outputs that can be relatively well defined and scoped

focus more on the outputs rather than outcomes.
Why Investment management?

Investment management lead to:

Better decisions
Better investments
Achievement of better outcomes..

Key stakeholders include:

Decision makers- better evidence-based assurance value for money
Management-early engagement on direction
Investment Management developers-clear expectations and support
Reviewers-early engagement and common language
Private sector service providers-early market soundings and clearly specified service requirements
# Doing Right Things versus Doing Things Right

## Investment Management

<table>
<thead>
<tr>
<th>Doing the Right Things</th>
<th>Doing Things Right</th>
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<tbody>
<tr>
<td>Selection Criteria</td>
<td>Investment Monitoring and Evaluation</td>
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<tr>
<td>Investment Appraisal</td>
<td>Project Oversight (Progress, Dashboard Reporting, Corrective Action, Guidance)</td>
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<tr>
<td>Prioritization</td>
<td>Use of Best practices:</td>
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<td></td>
<td>Deliver products and benefits within time, cost &amp; quality tolerances;</td>
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<td></td>
<td>Maintain up-to-date Project Information (Cost, Time, Scope, Quality, Risk);</td>
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<td>Transparent Tracking and Reporting;</td>
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<td>Benefit tracking and Evaluation;</td>
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<td>Use of corrective feedback for improvement.</td>
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Efficiency is doing things right; effectiveness is doing the right things.  
*Peter Drucker*
INVESTMENT LOGIC CHECKLIST FOR INVESTMENT DECISION

PROBLEM
1. Is it clear what the problem is that needs to be addressed? Both the cause and effect?
   YES □  PARTIAL □  NO □
2. Is there sufficient evidence to confirm both the cause and effect of the problem?
   YES □  PARTIAL □  NO □
3. Does the problem need to be addressed now by the RCMP?
   YES □  PARTIAL □  NO □
4. Does the defined problem capture its full extent/ scope?
   YES □  PARTIAL □  NO □

BENEFITS
5. Have the benefits that will result from fixing the problem been adequately defined?
   YES □  PARTIAL □  NO □
6. Are the benefits of high value to the RCMP?
   YES □  PARTIAL □  NO □
7. Are the KPIs SMART and will they provide strong evidence that the benefits have been delivered?
   YES □  PARTIAL □  NO □
8. Have key dependencies critical to benefit delivery been considered?
   YES □  PARTIAL □  NO □

INVESTMENT RESPONSE
9. Has a reasonable spread of investment interventions been identified and packaged into sensible strategic options?
   YES □  PARTIAL □  NO □
10. Is there evidence to demonstrate that the investment options are feasible?
    YES □  PARTIAL □  NO □
11. Were the investment options evaluated fairly to reflect their ability to respond to the problem and deliver the benefits?
    YES □  PARTIAL □  NO □
12. Is the preferred investment option the most effective way to address the problem and deliver the benefits?
    YES □  PARTIAL □  NO □

SOLUTION
13. Is the solution consistent with preferred Investment option, assessment of specific project options is reserved until after the investment decision – provided a specific project solution has not already been identified?
    YES □  PARTIAL □  NO □

NOTE
KPIs refer to Key Performance Indicators. SMART goals are an acronym for Specific, Measurable, Attainable, Relevant and Time-bound.
PROJECT LOGIC MAP CHECKLIST

VALUE FOR MONEY
1. Have the project options been specified clearly, including key risks, assumptions, constraints and dependencies?
   YES □ PARTIAL □ NO □
2. Consistent with the preferred strategic option, has a reasonable spread of project options been analysed?
   YES □ PARTIAL □ NO □
3. Is the recommended project solution the best value for money way to respond to the problem and deliver the expected benefits?
   YES □ PARTIAL □ NO □
4. Is the procurement strategy the most appropriate for this investment and attractive to the market?
   YES □ PARTIAL □ NO □

COMMERCIAL AND FINANCIAL
5. Is the solution specified clearly and fully (all business changes and assets)?
   YES □ PARTIAL □ NO □
6. Have all significant risks been identified along with strategies for their management?
   YES □ PARTIAL □ NO □
7. Has the recommended solution been appropriately costed (including risk adjustment)?
   YES □ PARTIAL □ NO □
8. Have alternative sources of funding been considered?
   YES □ PARTIAL □ NO □

MANAGEMENT
9. Is the governance structure identified and is it appropriate for this investment?
   YES □ PARTIAL □ NO □
10. Is there evidence that the implementing organisation has the capability and capacity to mobilise and deliver this investment?
    YES □ PARTIAL □ NO □
11. Have relevant stakeholders been identified along with strategies to manage their engagement?
    YES □ PARTIAL □ NO □
12. Has a robust project management strategy been outlined?
    YES □ PARTIAL □ NO □

DELIVERY
13. Has an appropriate change management strategy been provided to support benefit delivery?
    YES □ PARTIAL □ NO □
14. Are the proposed timelines and investment milestones reasonable?
    YES □ PARTIAL □ NO □
15. Has an appropriate benefits management strategy been outlined?
    YES □ PARTIAL □ NO □
16. Has the transition from construction to operation been adequately considered?
    YES □ PARTIAL □ NO □
INVESTMENT LOGIC MAP FOR INVESTMENT DECISION

Figure: 1.1

PROBLEM

P(i) = 30%
(i.e., insufficient space to accommodate Definiton needs currently and in the future)

P(ii) = 45%
(i.e., existing asset is inefficient for operational needs and energy efficiency)

P(iii) = 25%
(i.e., location of asset presents health and safety concerns)

B(i) = 50%
(i.e., provides accommodation to support operational requirements
KPI 1
KPI 2)

B(ii) = 25%
(i.e., cost savings through efficiency contribute to value for money
KPI 3
KPI 4)

B(iii) = 10%
(i.e., contributes to safe homes and communities
KPI 5
KPI 6)

B(iv) = 15%
(i.e., contributes to safe work environment
KPI 7
KPI 8)

STRATEGIC RESPONSE

SR(i) = 45%
(i.e., draft plans for most efficient location of members to purpose

SR(ii) = 20%
(i.e., reduce requirement for overtime

SR(iii) = 10%
(i.e., enhance LEED rating through design and development of asset

SR(iv) = 25%
(i.e., limit traffic through residential areas

SOLUTION

Changes

C(i)%
(i.e., change to business process

C(ii)%

C(iii)

C(iv)

Assets

A(i)

A(ii)

A(iii)

A(iv)

NOTE
KPIs refer to Key Performance Indicators. SMART goals are an acronym for Specific, Measurable, Attainable, and Time-bound.

Canada
RCMP Governance Roles With respect to the Investment Framework

Senior Executive Committee
Investment Direction Board
RCMP Investment Plan

SEC Subcommittee Finance
Investment Management Board
(Programming and Prioritization)

Portfolio Office
Investment Planning
Finance

Program Office
COE
(policy center)

COE/Policy Centre
Environment

Project Office
COE
(policy centre)

Senior Responsible Owner
Program Board
Programming & Prioritization

Business Change Manager

Program Environment (IM, IT, RP)

Investment Program Board

Project Board
Project Manager
Project Delivery team

Project Board
Project Manager
Project Delivery team

Investment Boards
(Investment Approval)
Portfolio, Program, Project (P³) Structure

Portfolio

Program

Project

Stage

Work Package

Minor Projects

Investment Portfolio 1

Investment Program 1

Project 1

Project 2

Stage 1

Activity 1

Activity 2

Task 1

Task 2

Task 3

Level 4

Level 3

Level 2

Level 1

Level 0
Categories of Stakeholder

- Business
- User
- Supplier

The Project
PRINCE2 Processes

<table>
<thead>
<tr>
<th>Directing</th>
<th>Managing</th>
<th>Delivering</th>
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<tbody>
<tr>
<td>SU</td>
<td>SB IP</td>
<td>Managing Product Delivery</td>
</tr>
<tr>
<td>Directing a Project</td>
<td>Controlling a Stage</td>
<td>Controlling a Stage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Managing Product Delivery</td>
</tr>
</tbody>
</table>

SU – Starting Up a Project
IP – Initiating a Project
SB - Managing a Stage Boundary
CP – Closing a Project
1) Investment Planning Framework (Approved – On web)
2) Investment Planning Guide (Draft)
3) Investment Management Manual (Policy) (Draft)

1) Investment Management Roles and Responsibilities (Needs to be drafted)
2) Integrated Risk and Performance Management Framework (Second Draft)
3) Investment Management Manual (Policy) (Draft)

1) Program Management Roles and Responsibilities (First Draft)

1) Management of Projects Framework (Approved – On web)
3) Management of Projects Guide (Draft)
4) Project Management Roles and Responsibilities (Draft)
5) Investment Management Manual (Policy) (Draft)
Investment Management Standard

<table>
<thead>
<tr>
<th>Guidance Documents</th>
<th>Description</th>
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</table>
| Investment Management Standard | Provides contextual reference to an Overview of the Investment Management Standard:  
  • Background/Overview of Investment Management Standard  
  • Gateway Investment Review Function  
  • Investment Decision to Project Decision process flow |
| Investment Level Guidance | Provides generic guidance when considering the Investment Level for a prospective investment:  
  • Investment Level Grading Criteria  
  • Exceptional Considerations |
| Glossary of Terms | Provides summary descriptions of common terms used in the Investment Management Standard.  
  Under development |
| Transitioning Guidance Transitioning Checklist | Provides guidance and a checklist of items/requirements to be considered when transitioning an investment/project already in-progress to the Investment Management Standard. |
| Roles and Responsibilities | To be developed |
| Health Checks | Process-oriented checklists that can be used at various points in an investment to assess that the key aspects of the Investment Management Standard are adequately addressed.  
  To be developed |
| IM Standard_PM Standard Training - Slide Show ONLY | This training deck covers considerable detail supporting the rollout of the Investment Management Standard. This is only a Slide Show version of the deck as of April 5th, 2013. A version of the PowerPoint supporting the presentation may be acquired for Strategic Investments and Project Management. |
# Investment Program Management Standard

## Template Guidance

<table>
<thead>
<tr>
<th>Identifying a Program</th>
<th>Blank Templates</th>
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<tbody>
<tr>
<td>Program Mandate</td>
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<tr>
<td>Program Brief</td>
<td>Program Brief</td>
</tr>
<tr>
<td>Program Preparation Plan</td>
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</table>

## Defining a Program

<table>
<thead>
<tr>
<th>Stakeholder Engagement Strategy</th>
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</thead>
<tbody>
<tr>
<td>Program Communications Plan</td>
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<tr>
<td>Blueprint</td>
<td>Blueprint</td>
</tr>
<tr>
<td>Benefits Management Strategy</td>
<td>Benefits Management Strategy</td>
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<tr>
<td>Benefit s Realization Plan</td>
<td>Benefits Realization Plan</td>
</tr>
<tr>
<td>Projects Dossier</td>
<td>Projects Dossier</td>
</tr>
<tr>
<td>Organization Structure</td>
<td>Organization Structure</td>
</tr>
<tr>
<td>Information Management Strategy and Plan</td>
<td>Information Management Strategy and Plan</td>
</tr>
<tr>
<td>Monitoring and Control Strategy</td>
<td>Monitoring and Control Strategy</td>
</tr>
<tr>
<td>Quality and Assurance Strategy and Plan</td>
<td>Quality and Assurance Strategy and Plan</td>
</tr>
<tr>
<td>Issue Management Strategy</td>
<td>Issue Management Strategy</td>
</tr>
<tr>
<td>Risk Management Strategy</td>
<td>Risk Management Strategy</td>
</tr>
<tr>
<td>Program Plan</td>
<td>Program Plan</td>
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<tr>
<td>Business Case</td>
<td>Business Case</td>
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<tr>
<td>Program Definition Document</td>
<td>Program Definition Document</td>
</tr>
<tr>
<td>Issue Register</td>
<td>Issue Register</td>
</tr>
<tr>
<td>Risk Register</td>
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</tr>
</tbody>
</table>
## Project Management Standard

### Integrated Process Guidance (V2.0)
Provides guidance for the following Project Management Standard processes:
- Starting Up a Project
- Initiating a Project
- Controlling a Stage
- Managing a Stage Boundary
- Managing Product Delivery
- Closing A Project
- Directing a Project

### Theme Guidance (V2.0)
Provides guidance for the following Project Management Standard themes:
- Organization
- Options Analysis
- Quality
- Plans
- Risk
- Change
- Progress

### Glossary of Terms (V1.0)
Provides summary descriptions of common terms used in the Project Management Standard.

### Transitioning Guidance (V1.0)
Provides guidance and a checklist of items/requirements to be considered when transitioning a project already in-progress to the Project Management Standard.

### Transitioning Checklist (V2.0)
A tool (MS Excel) for determining the appropriate use of the Project Management Standard on any given project; establishes the correct amount of planning, control, governance and use of the processes and themes.

### Tailoring Projects (V2.0)
Provides support to those involved in carrying out the project assurance function on Project Management Standard projects.

### Health Checks (V1.0)
Process-oriented checklists that can be used at various points in a project to assess that the key aspects of the Project Management Standard are adequately addressed.
What is the reporting Structure?
PMO (COE) & Common Services – Development Overview

Framework/Policy
Project Management

Standards
Process

Professional Development
People

Short-Term
Mid-Term
Long-Term

Readiness
Results

Common Service
Capacity
Policy, Direction, Frameworks

**Policy:**
- Policy Development
- Policy Maintenance
- Policy Analysis
- Policy Interpretation and Advice

**Frameworks**
- Development
- Maintenance
- Communication

Standards, Methods and Tools

**Standards and Methods:**
- Processes and Templates
- Handbooks
- Posters and Quick Reference guides
- Tailoring Guidelines

**Good Practice:**
- Good practice repository
- Lessons learned
- Case Studies
- Discussion Forum

**Tools:**
- Portals/collaboration
- Planning, Workflow
- “War Rooms/Visual Displays”

**Standard Roles:**
- Roles and Responsibilities forms
- TOR’s for Groups and Boards

People and Skills

**Skills/Competencies Analysis:**
- Career Development Maps
- Recruitment Support
- Induction Services

**Individual Capability Development**
- Secondments
- Budding/Mentors
- Coaching

**Skills Development**
- Conduit to Public Courses
- Training Needs Analysis
- Training Plans
- Internal Delivered Courses
- E-Learning

Readiness Internal Consultancy

**Independent Program(p) and Project Assurance**
- Integrated Assurance Plans
- Health Checks; Stock Takes, Readiness to Deliver Gated Reviews and Gateway Mats

**Facilitated Workshops**
- Startup / Kick off
- Planning
- Risk
- Lessons Learned
- Problem / Issue Resolution
- Stakeholder Engagement and Communications

**Practical Help, Advice and Support:**
- Trusted Advisor or critical Friend
- Development of Produces eg. Business case
- Project Recovery – A Team

Canada
Questions?
Comments.
Discussion!