

## Improving Project Management in the Canadian Federal Government

**Project Management Institute (PMI)**  
**Submission to the Standing Committee on Finance**  
**Pre-Budget Consultations**  
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**Requesting to Appear: Mr. Mark A. Langley, President & CEO, PMI**

### **PART 1: RECOMMENDATIONS**

**Recommendation:** The Government of Canada should develop a whole of government solution, which mandates a framework for standardized project management, which includes:

- I) The development of a standards-based project management process across the federal government.
- II) The creation of formal job classification, and a defined career path for project managers across the federal government. This, combined with appropriate training programs for project managers will help to ensure that competencies of project managers are aligned with the complexity of the projects being managed.
- III) The recognition of the essential role of project executive sponsors by designating a senior executive in federal departments to be responsible for project and program management policy and strategy.
- IV) The sharing of knowledge around successful approaches to project management through an inter-departmental council on project and program management.

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**EXECUTIVE SUMMARY:**

- The Canadian government continues to face challenges in the management and delivery of projects.
- Research confirms that organizations that invest in proven project management practices and processes experience greater success in the delivery of their projects. Hence, more effective project management practices, processes and training, should result in substantial savings of taxpayer dollars.
- Successive federal governments have sought to address project management deficiencies on a case-by-case basis. A more effective government-wide solution would significantly improve project delivery success and send an important message to Canadians that the government is taking appropriate action.
- On December 14, 2016, the US Government, with full bipartisan support from the Congress and Senate, signed into law S. 1550, the *Program Management Improvement & Accountability Act* (PMIAA), to enhance accountability and best practices in project/program management throughout the entire US government.
- A whole of government project management approach in Canada would establish a consistent government-wide template for managing projects that would create significant efficiencies and increase project success. There are a number of options that the government could consider to achieve its project management goals, including a legislative approach similar to that undertaken by the US government.
- This framework should include standards for project management in the federal government, dedicated training and career path for project managers and executives, designation of a senior executive in each agency/department responsible and accountable for project management strategy, and inter-departmental alignment of project management approaches across the entire government.
- Standardizing federal project management would improve government procurement, allowing the Canadian government to foster innovation and a more competitive economy through major technology acquisitions.

## **PART 2: ABOUT THE PROJECT MANAGEMENT INSTITUTE**

The Project Management Institute (PMI) is the leading global, not-for-profit, professional membership association for the project, program and portfolio management profession. Founded in 1969, PMI delivers value for more than 3 million professionals, working in nearly every country in the world, through global advocacy, collaboration, education and research. PMI advances the interests of its members and the project management profession through the development of globally accepted standards and certifications. For nearly 50 years, PMI has been developing practices for managing projects. It maintains the world's leading library of globally accepted project management standards through an accredited, voluntary, consensus-based process based on input from project management practitioners across all industries and the public sector, globally.

PMI advises industry and governments around the world, on practices for project and program management. PMI also supports a global network of more than 280 PMI Chapters providing networking, education and training opportunities for the project management profession. In Canada there are 18 PMI Chapters located in every province. Toronto, Montreal and Calgary currently rank in

the top ten of the largest chapters in the world. Furthermore, Canada has the third largest number of certified project management professionals (PMP) in the world.

### **PMI and the Canadian Government:**

PMI has been working collaboratively with the Canadian government for many years and on a number of fronts, including:

- Collaborating with the Canada School of Public Service (CSPS) in the development of a renewed curriculum and training plan on project management for the public service;
- PMI participates regularly as the first non-government, associate member of the Canadian government's Investment Planning & Project Management Community of Practice;
- PMI presents regularly to a number of Canadian government departments' executive teams and project management communities. Additionally, the Department of National Defence is currently a member of PMI's Global Executive Council, made up of some of the largest private sector organizations and government agencies from around the world;
- Given PMI's global reach, PMI facilitates engagement and knowledge sharing between Canadian government departments and other governments around the world facing similar issues/challenges;
- PMI is currently in discussions with the government (TBS) on a no-cost license agreement for the government's use of all PMI Foundational Standards and Practice Guides.

## **PART 3: IMPROVING PROJECT MANAGEMENT IN CANADA**

### **Project Management in Canada Today:**

The federal government continues to face challenges with delivering complex projects and programs on schedule and on budget. The approach to project management in the Canadian government is fragmented, with some successes, failures and various results in between. Project management is dealt with largely on an ad hoc basis with no standardized government-wide approach. This has produced inconsistent practices, processes, competencies and results. Notwithstanding certain well publicized project management issues, there are pockets of excellence within government departments that are not being shared or replicated elsewhere.

Without effective project management practices, governments continue to waste significant amounts of taxpayer dollars. PMI's annual Pulse of the Profession study and related research shows that in 2017, organizations (includes both corporate and public sector) wasted 9.9% of money spent (\$100 million for every \$1 billion) as a result of poor project performance. Moreover, PMI has estimated that in the United States only 64% of government initiatives ever meet their goals. This research reinforces that effective project management is critical in achieving cost effective outcomes. Organizations that invest in proven project management practices continue to experience greater success than their underperforming counterparts.

While the federal government has attempted to address project and program management on a case-by-case basis, a more effective "whole of government" solution that addresses talent, training, standardized practices, agility, benefits management, and organization alignment to strategy is required to improve project delivery success. There is a growing awareness of the need to address project

management shortcomings by improving training for project managers and executives to better equip them to manage and deliver complex projects. Indeed, the Auditor General has called on the federal government to improve project management and oversight. The government is in the process of reviewing its policies relating to the management of projects, under the direction of the Treasury Board Secretariat, the Office of the Comptroller General and the Privy Council's Office.

### **US Government Project Management Legislation as a Case Study:**

In 2016, former President Barack Obama signed into law the Program Management Improvement and Accountability Act (PMIAA), to enhance accountability and best practices in project and program management throughout the US federal government. The legislation was passed in Congress with overwhelming bi-partisan support in the House and the Senate. The PMIAA enhances federal project/program management policy in four important ways:

1. Creating a formal job series and career path for program managers in the federal government.
2. Developing a standards-based program management policy across the federal government.
3. Recognizing the essential role of executive sponsorship and engagement by designating a senior executive in federal agencies to be responsible for program management policy and strategy.
4. Sharing knowledge of successful approaches to program management through an interagency council on program management.

Implementation of the PMIAA is currently underway in the United States, led by the Office of Management and Budget. The PMIAA provided the framework and mandate for agencies to collaborate and design the implementation timeline and the standardized processes.

### **A Whole of Government Solution for Project Management in Canada:**

Reliably successful delivery of projects and programs is a proven catalyst that enables organizations, both in the private and public sectors to improve both productivity and competitiveness, by ensuring strategy and mission are executed. Establishing a standardized project management process within the Canadian federal government would constitute a significant step forward in improving the delivery of major projects and programs. This framework would complement policies currently under review, while at the same time, amplify and reinforce the government's commitment to improving project delivery and accountability across the entire government.

Adopting globally accepted standards for project management would provide government with leading practices to arrive at better project outcomes, and connects its delivery framework to the global economy of industry and partner governments. Current research shows organizations are recognizing that agility – the ability to quickly sense and adapt to external and internal changes to deliver results in a productive and cost-effective manner – is becoming increasingly critical to successful project delivery and competitiveness. Currently, there is not a defined career path for project managers in the federal government. As a result, project managers tend not to have the standing that is required to effectively drive project outcomes. A defined set of qualifications and a structured approach to managing complex projects would make a material difference.

The approach to project management is, to a large extent, fragmented in the Canadian federal government. A whole of government solution to project management should include inter-departmental coordination for project management standards to ensure that leading practices are aligned to and enforced across the government, thereby allowing for consistently better project outcomes. The result

of proven standards for project management being mandated across the federal government would be more efficiency in federal projects in order to maximize value for tax dollars and enable a system of government that is more capable of successfully delivering results for Canadians.

**A whole of government project management approach should include a framework to achieve the following:**

- Globally accepted standards for project management to provide officials with a more structured and consistently used system to arrive at better project outcomes. This would not only improve the management of projects across departments, it would also help enable consistent practices with the government's stakeholders and private sector partners and suppliers.
- Establish a formal training and education program and a career path for project managers in the federal government because currently, federal project managers often do not have the standing or experience that is required to effectively drive project outcomes.
- Establish Inter-departmental coordination for project management standards to ensure that best practices are developed and enforced across the federal government, thereby allowing for better project outcomes.
- Address the fragmented approach to project management in the Government of Canada.

**Improving Canada's Economic Competitiveness**

The weaknesses in Canada's federal project management performance also impacts Canada's economic competitiveness, particularly in the context of federal procurement. The World Economic Forum's Competitive Index rated Canada 14<sup>th</sup> out of 137 countries for economic competitiveness, but only 68<sup>th</sup> in using government procurement of advanced technologies to create innovation. This ranking shows Canada is behind both developed and developing countries in leveraging government purchasing to foster an innovative and more competitive economy.<sup>1</sup> The Canadian government has consistently demonstrated project management challenges in its procurement process, particularly with IT acquisitions. The federal government's Innovation Agenda is a key policy for improving competitiveness but without a more efficient procurement process, that is both more effective at delivering outcomes and less costly for bidders, there is a gap in the Canadian innovation framework. Improving project management in the federal government through mandating efficient, standardized processes, would improve federal procurement, providing the government with the ability to effectively leverage technology development in Canada through a more efficient procurement process.

**Points of Contact (PMI)**

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<sup>1</sup> See the World Economic Forum's full ranking of how effectively countries use procurement to generate innovation: <http://reports.weforum.org/global-competitiveness-index-2017-2018/competitiveness-rankings/#series=EOSQ074>