



Experience in Strategic Planning Management and Project Management

Planning and Project Management

July 2022



BANCO DE MÉXICO

Content

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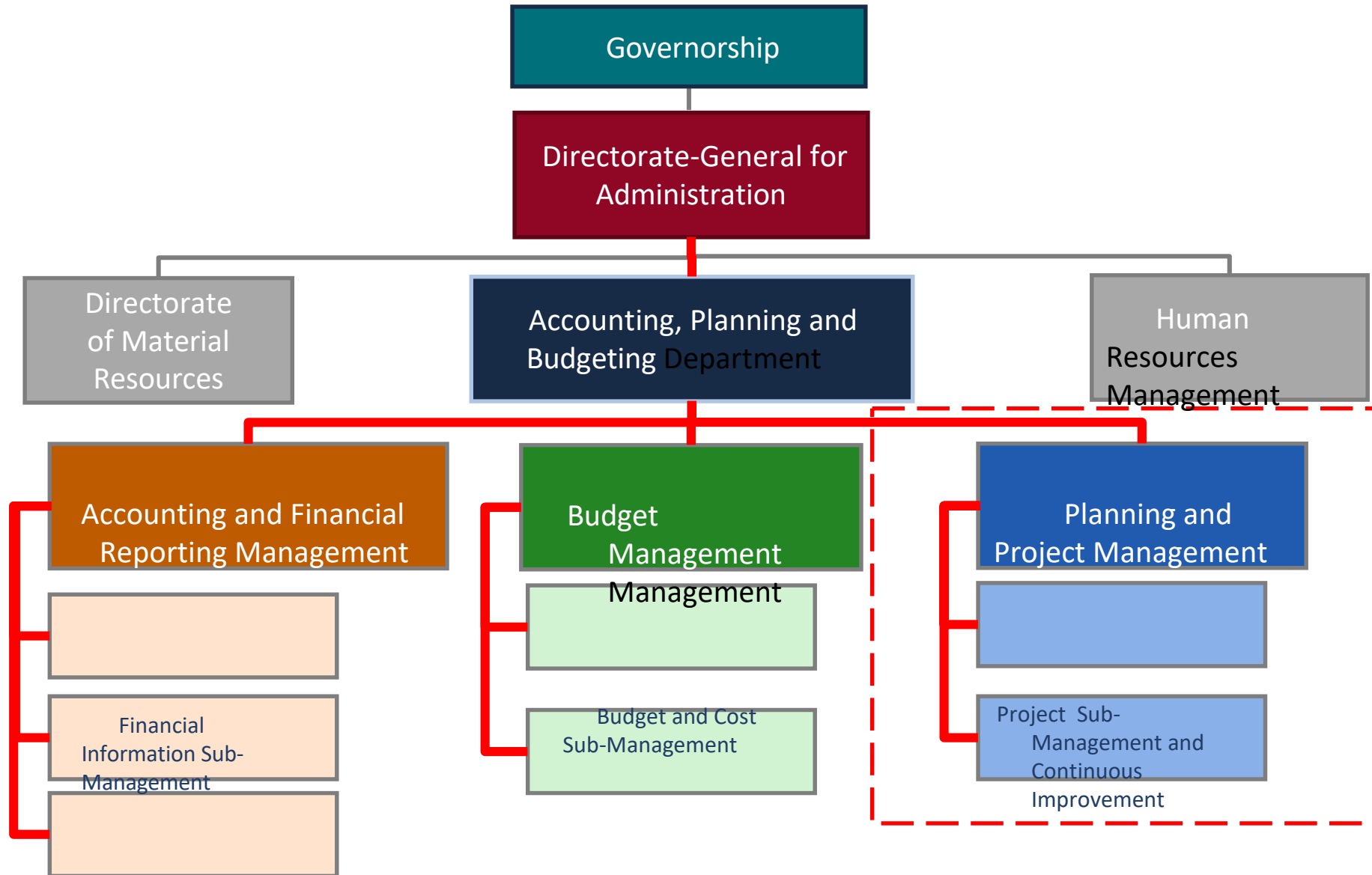
1. Planning objectives at Banco de México

- **Define priorities** and focus the efforts of the institution.
- Link the use of **budgetary resources to the achievement of** expected **results.**
- Facilitate **the management of the Bank** through standardized practices and tools.
- **Clearly communicate** to workers **the priorities of the institution.**
- **Promote collaboration** and the use of **synergies** between the areas.
- Strengthen the relationship between the aims pursued by the Bank and the individual contribution of its employees, **aligning the evaluation of performance to the achievement of the objectives of the Institution.**
- **Promote transparency and accountability** on the objectives and results obtained.

2. Timeline



3. Structure organizational



Sub-management of
Tax Affairs

Accounting
Sub-
Management

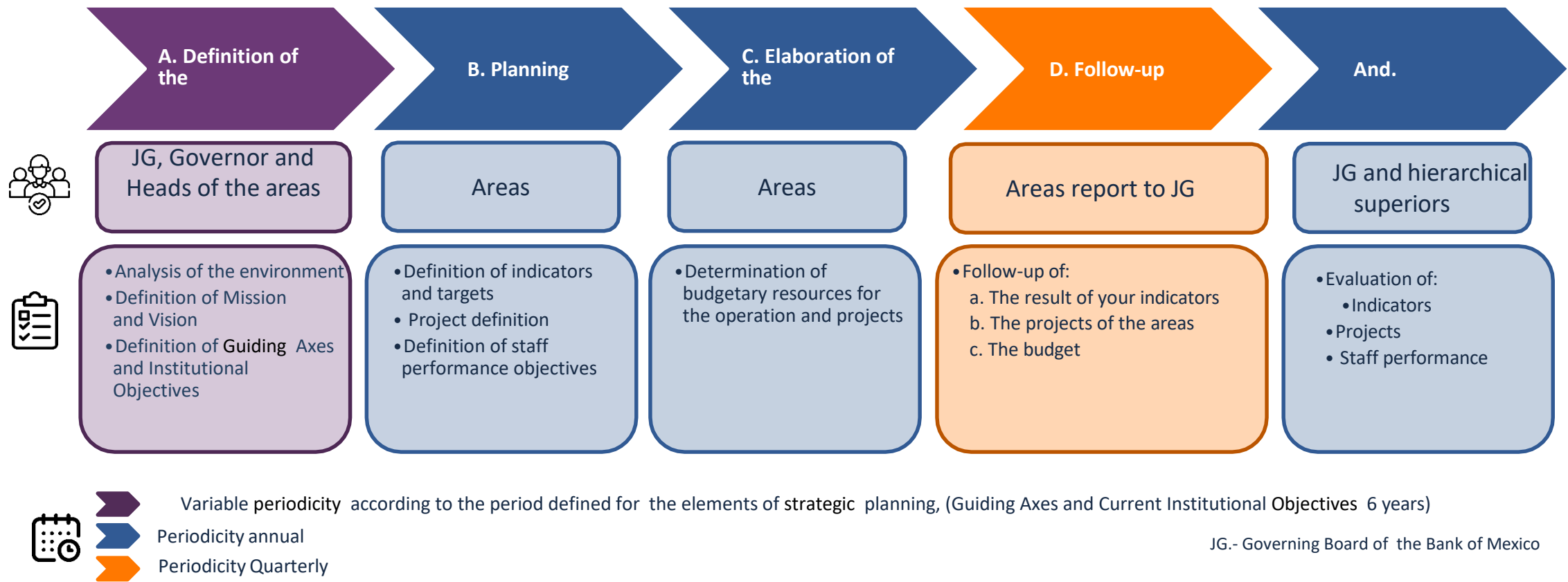
Sub-management of
Expenditures and
Administrative Revenues

Planning and Evaluation
Sub-Management

[Annex 1. GPP Organizational Structure](#)

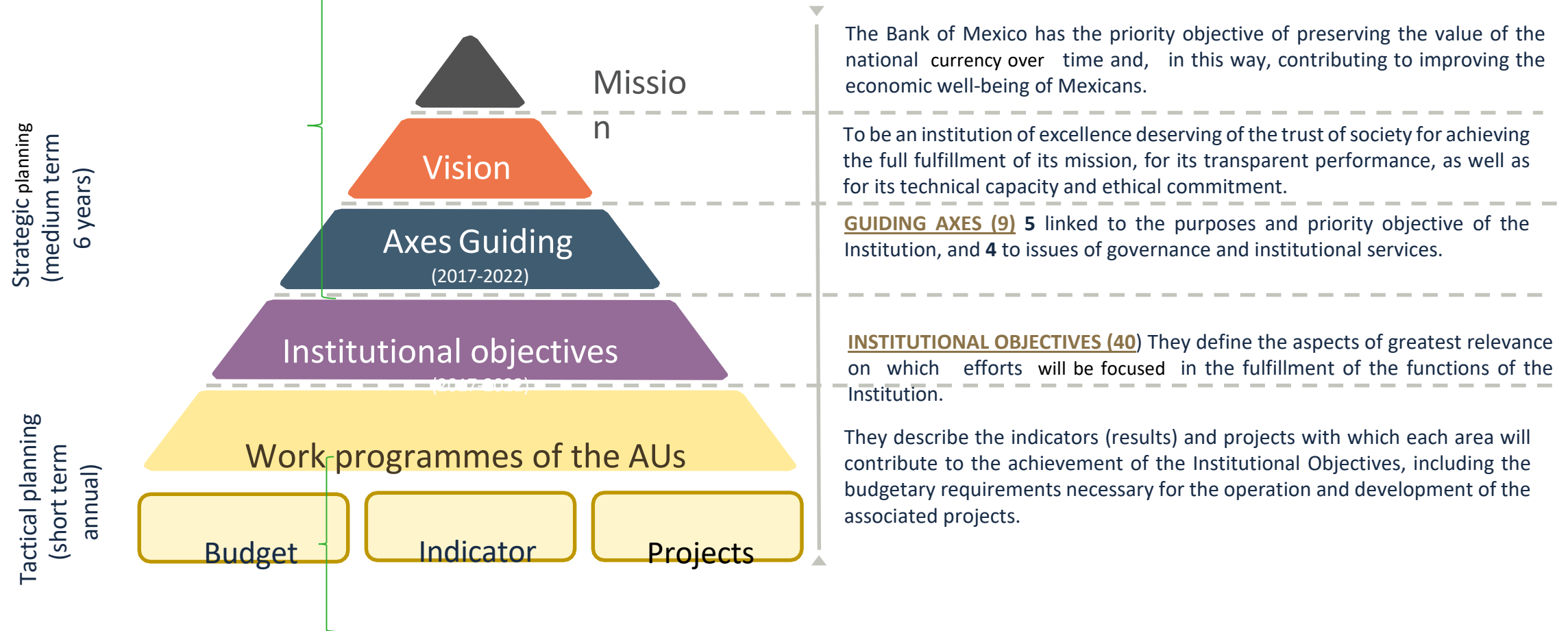
4. Institutional strategic planning process

The institutional strategic planning process consists of 5 stages that are executed by different actors and with different periodicities according to their nature.



4.1 Definition of the strategy

Elements of the current planning framework



[Annex 3. Guiding Axes and Institutional Objectives 2017-](#)

[2022 Annex 4. Guide to methodological concepts](#)

4.1 Definition of the strategy *(continued)*

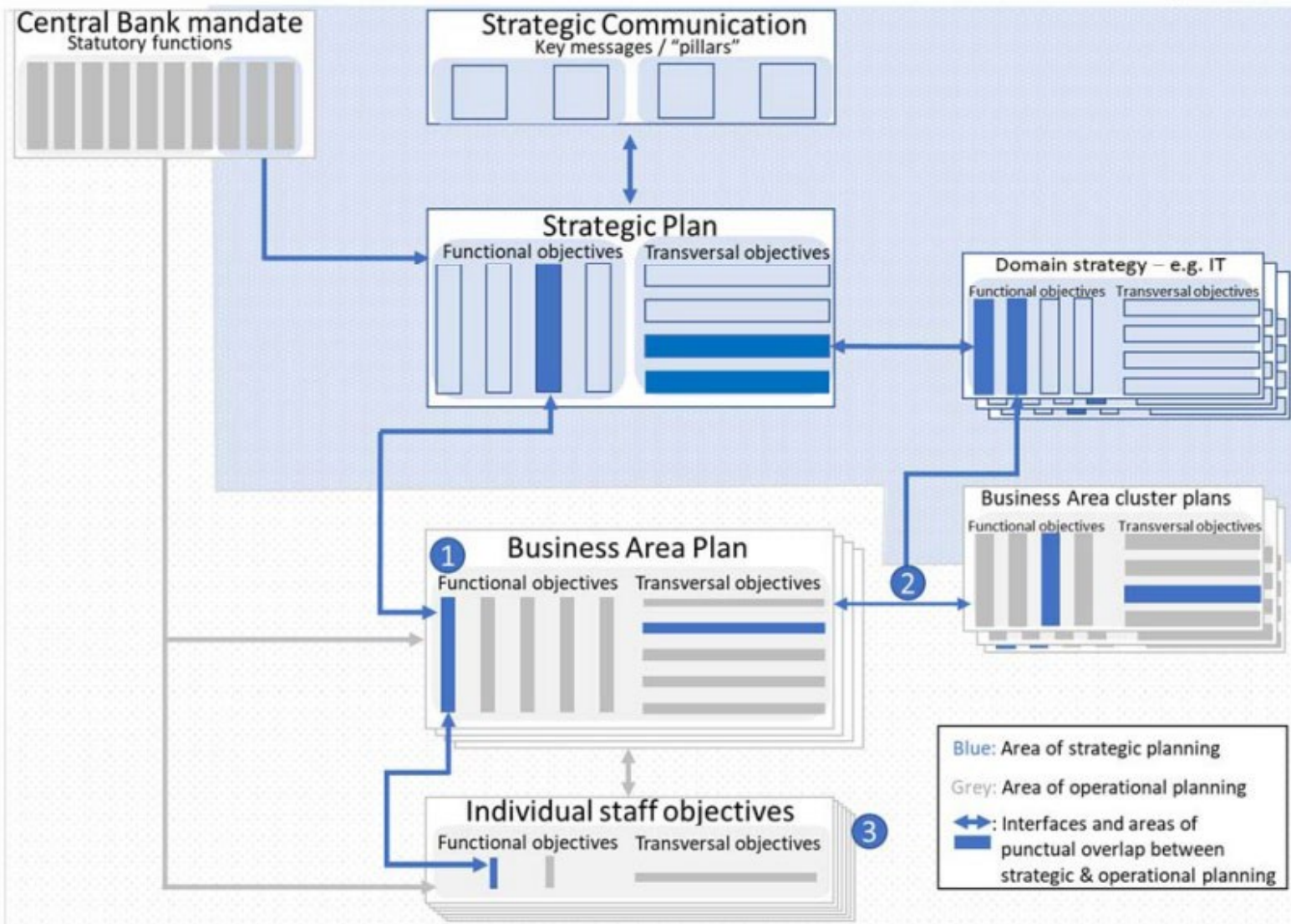
Trends observed in the BC PE (Strategic Planning vs Operational Planning)¹

- In 16 of 27 central banks, each operational objective (activity or project) included in the annual plans of the areas is explicitly linked to one or more objectives of the strategy.
- The strategic objectives are "cascadeados" to each of the collaborators of the institution typically through performance management models.
- However, strategic planning should not necessarily be "cascadeed" in the same way as the mandate and organizational manual.
 - The **mandate** is a stable definition that encompasses all the responsibilities of an institution. Therefore, any operational objective must be able to be aligned with the mandate, which restricts the discretion of activities.
 - In contrast, **strategic planning** is expected to define an institution's medium-term transformation and capacity building priorities. The possibility that all activities can be linked to the strategy is an indication that the definition could be very broad.
- Today, many central banks recognize the need to delineate the areas of strategic planning and operational planning, as well as the relationships between the two.

¹ (2020) Banco Central Europeo, The strategy function in central Banks & public financial institutions.

4.1 Definition of the strategy (continued)

Trends observed in the BC PE (Strategic Planning vs Operational Planning)



Distinction of the strategy from the rest of the operational objectives:

- Only some areas are directly involved in the strategic plan
- Strategic objectives are linked to functional themes (e.g. improvement of the monetary policy framework and instruments, central bank digital currency, green finance) or transversal themes (e.g. digitalisation, strengthening resilience)
- There may be specific strategies for particular domains (e.g. IT, HHRR) linked to the institutional strategy
- There may be plans for a group of areas that share common purposes.

4.1 Definition of the strategy *(continued)*

Trends observed in the BC PE (Strategic Planning vs Operational Planning)

Content of strategic plans

- Unlike the private sector where strategic plans are observed with a limited number of initiatives and projects (between 5 and 10), in the sample of central banks analyzed only half had a plan with 10 or fewer strategic objectives; 25% have defined between 10 and 20; and 25% have more than 20 strategic objectives
- In 3 of 4 central banks analyzed, their strategic plan combines objectives associated with functional themes with objectives associated with cross-cutting challenges; in a quarter of the remaining strategic plans their strategic plans contain only challenges. transversal (e.g. Innovation, digitalization, resilience)
- Most strategic plans contain or refer to the following elements: Vision (79%), Mission (58%), Values (58%) and guiding principles (29%).

Usefulness of the strategy for prioritization and allocation of resources

- Most of the experts interviewed agree that strategic plans must evolve from being a broad catalog of intentions to a specific portfolio of initiatives in which the medium-term change agenda is clearly defined and that this serves for the prioritization of resources.

External communication layer

- It is noted that a significant number of central banks have created a communication layer for the dissemination of the strategy and its results.

4.1 Definition of the strategy *(continued)*

Strengths and opportunities of the current BoM planning framework

Strengths

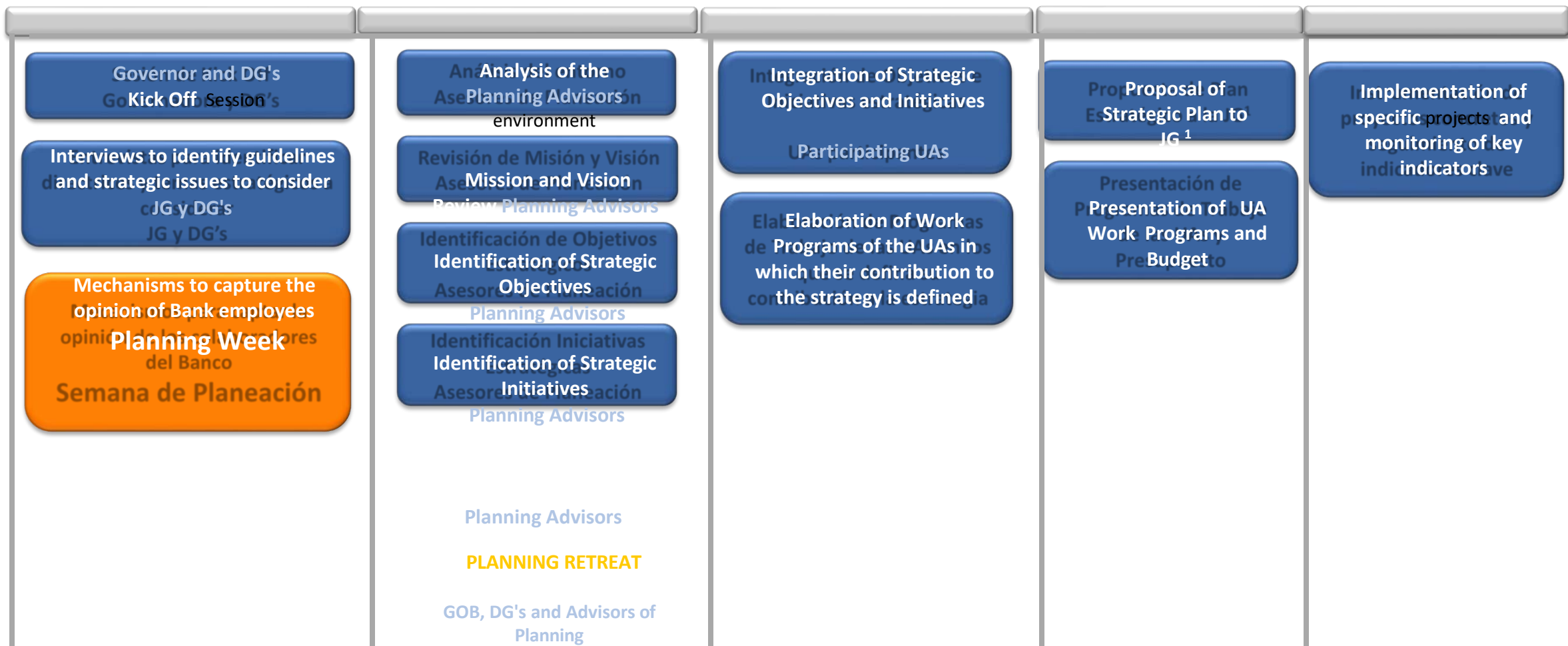
- Broad and comprehensive definition of institutional objectives that allows them to be easily linked to the activities of most Administrative Units (Work Plans), to the management of individual performance, to the identification of processes, among others.
- The framework promotes a results-based definition of the budget by linking the Work Plans of the UAs with their budgetary requirements.
- It has been possible to standardize a method for the presentation and monitoring of the Work Programs of the Administrative Units to the JG. This method includes a dashboard for the progress of indicators and projects.
- An Institutional Work Program is prepared annually that contributes to the transparency and accountability of the institution with society.
- The existing framework has made it easier to respond to external information requests from audit and transparency authorities.

Areas of Opportunity

- Being such a broad definition does not facilitate the identification of priorities and the consequent allocation of resources.
- The "what" is intended to be achieved are defined, but not the "how". That is, the initiatives or lines of general action that facilitate the collaboration and alignment of the efforts of the areas to common initiatives are not defined.
- AUs establish their contribution to institutional objectives independently, which generates gaps in the coordination of some issues and maintains a culture of silos.
- Strategies have been developed for specific topics (e.g. Payments Systems, Financial Inclusion, etc.) whose conceptual framework is not necessarily consistent with the institutional one.

4.1 Definition of the strategy (continued)

Proposal of process:



1 One time approved the Plan Strategic herself Work during 2023 in define the indicators y projects Concrete What herself Take a corporal for his attainment

4.1 Definition of the strategy

Planning Week

- In order to **capture the opinion of the workers and make them participate in the process**, the **Planning Week** was carried out, in which through a **survey**, a **fair with experts** from the different topics (Center and Legaria) and **mailboxes**, **initiatives were received** to be considered in the definition of the new institutional plan.
- Around **782 Bank employees** participated and **1,066 proposals** for initiatives (many of them similar) were received.
- Classification of initiatives according to the topics in which the planning advisors will be organized:
 - Corporate services, control and better ways of working, 80% (275+573)
 - Competitive and efficient means of payment and financial system, 14% (146)
 - Price and financial stability, 7% (72)



[Annex 4. Communication campaign](#)



4.1 Definition of the strategy

Outline of work of the Planning Advisors

In order to capitalize on the **areas of knowledge and experience of the advisors**, as well as to achieve a dynamic and constructive interaction within each group, it is proposed that it be developed in **three working groups**:

Working <small>Group</small>	Examples of themes
Monetary <small>Policy</small> and Financial Stability	<ul style="list-style-type: none">• Mechanisms of interaction in the field of <small>financial</small> stability and economic policy.• Synergies in the use and analysis of information.
Means of Payment, Competition, Transparency and Financial Inclusion	<ul style="list-style-type: none">• Efficient <small>payment</small> systems (cash and <small>electronic</small> means).• Mechanisms to promote <small>effectiveness</small>, efficiency and competition in the financial sector.
Institutional <small>Services</small> and Control	<ul style="list-style-type: none">• Operational <small>efficiency</small> in institutional services and control systems.

4.2 Planning

- The areas elaborate their **annual Work Programs**, through which they identify the Institutional Objectives in which they will contribute.
- For each Institutional Objective they propose:
 - **Indicators and targets** that will allow to evaluate the achievement of the objectives.
 - **Projects** to achieve the objectives.
 - **Other activities.**
- Feasibility analysis of initiatives with a budget ≥ 4 million pesos and cost-benefit analysis of projects with a budget ≥ 5 million pesos) are prepared.¹
- Once the Work Programs are approved, the performance objectives of the workers aligned with what is described in the Work Programs are defined.

Role of the GPP

- Coordinates the preparation and presentation of the Work Programs to the Governing Board
- Advises areas in the identification of indicators and definition of goals. There is a methodology for the definition of indicators.
- He advises the areas in the identification, description and planning of their projects. It has a standard and methodology of management of institutional projects.
- It feeds back the cost-benefit analyses and ensures that they comply with the defined methodological standards.
- Identifies synergies and collaborative projects, developing portfolios of regulatory, IT and real estate infrastructure projects.
- It preloads the objectives of the holders of the areas aligning them with those of its Work Program.

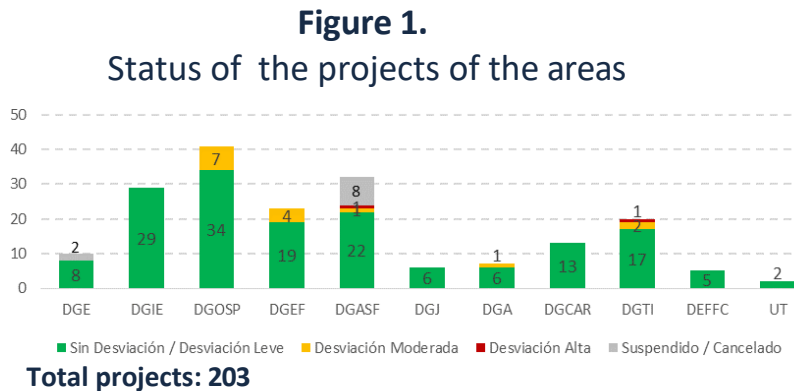
¹ The initiatives and projects for which a feasibility analysis is carried out will integrate a White Paper or Documentary Report to make transparent and accountable for the management of the project. The foregoing in accordance with the standard "*Guidelines for the integration of White Papers and Documentary Reports.*"

4.3 Seguimiento

Quarterly follow-up report on the

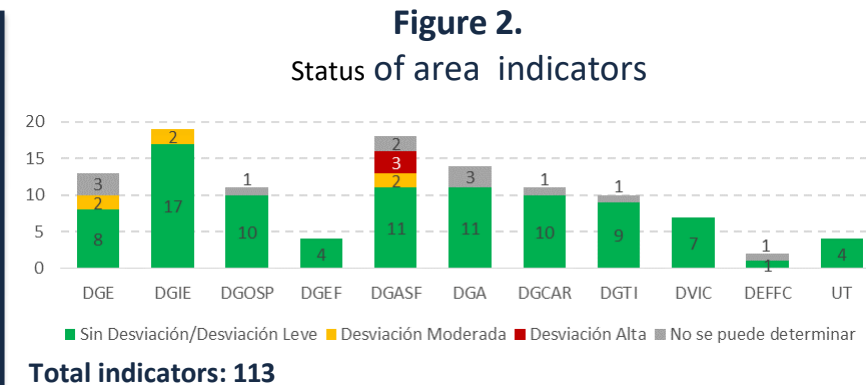
Once the indicators and projects of the **Work Programs** of the areas have been approved, each quarter their status is reported and a presentation of those projects that had significant progress or deviations is made.

Sample Report:



GPP Role Work Programme

- Monitoring of indicators and projects and integration of the report.
- Advice to the areas in the administration of their projects and preparation of white papers or documentary reports.
- Publication of transparency indicators .



ER/# PT	Proyecto	Fecha Inicio	Fecha Fin	% Planeado	% Completado	Semáforo
ER3. Contribuir al mantenimiento de la estabilidad y adecuado funcionamiento del sistema financiero						
3	Elaboración de propuesta regulatoria para robustecer las actividades del servicio fiduciario	may-17	ene-19	69%	41%	●
4	Actualización de la regulación bancaria (31 requerimientos) para operar instrumentos derivados, Circular 4/2012	abr-17	nov-18	70%	60%	●
N1	Modificaciones al régimen para emisión de obligaciones subordinadas (<i>incorporado durante el año</i>)	sep-17	ago-18	75%	85%	●

ER/#	Indicador	Cierre 2017	Observado 1T 2018	Observado 2T 2018	Meta 2T 2018	Semáforo
ER6. Asegurar que el Banco cuente con capital humano de excelencia, con un alto compromiso ético y de servicio público ¹						
1	Índice de atracción de talento Porcentaje de contratados <u>Tab 1</u> a través de mecanismos de atracción institucional (portal de empleo, vínculo con universidades, servicio social y redes sociales).	61%	66%	61%	60%	●
2	Adopción de Trabajo a Distancia (TaD) Número de personas con un acuerdo de trabajo a distancia. (<i>Ajustado</i>)	ND	45	46	30	●

Note: It should be noted that additionally the progress of the budget exercise is presented quarterly to the Governing Board .

4.4 Evaluation

- At the end of each year, the validity of the Guiding Axes and Institutional Objectives are evaluated and, where appropriate, adjustments are made to them to reflect possible changes in the Bank's priorities.
- Performance is evaluated on the basis of the results obtained in the **indicators** and **projects described in the Work Programmes**. This evaluation is part of the evaluation of the performance of the heads of the areas and is aligned with the rest of the Bank's workers.
- As part of the accountability and transparency of the Bank of Mexico with society, the **Institutional Work Program²** is published annually, which highlights the achievements obtained during the year, as well as the actions to be developed in the medium term.
- This document explains visually and in simple language the activities carried out by the Bank of Mexico.

Role of the GPP

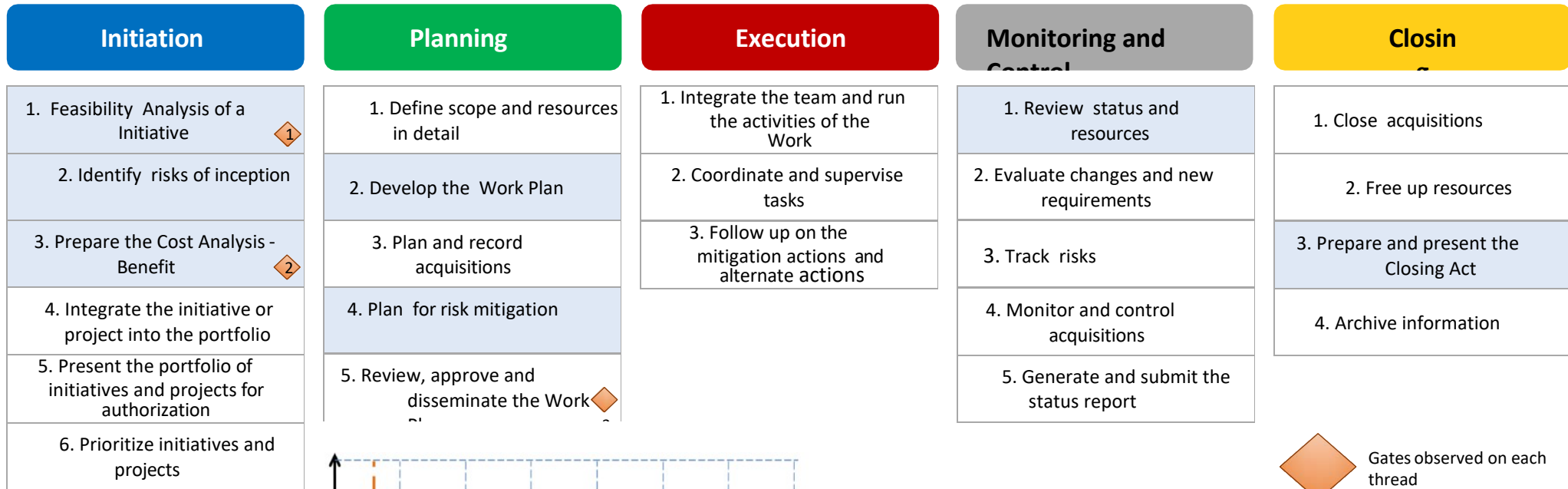
- Coordination of the preparation and publication of the **Institutional Work Program**.
- The fulfillment of **indicators** and **projects** described in the Work Programs is evaluated and is linked to the evaluation of the performance of the holders of the areas.



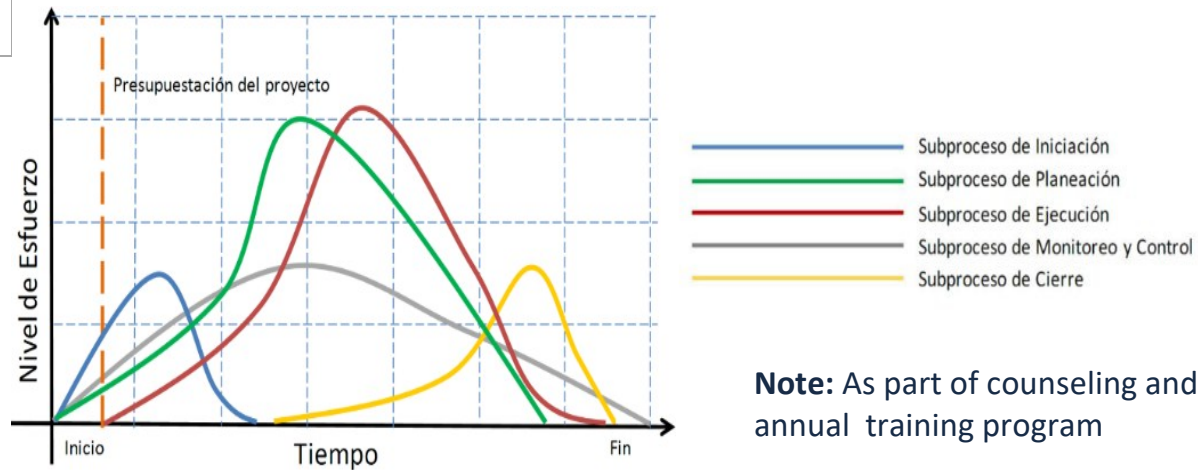
² Programme of Work: <https://www.banxico.org.mx/publicaciones-y-prensa/programa-de-trabajo-institucional/programa-trabajo-plan-banco-m.html>

5. Project Management

Methodology of Administration of Projects Institutional (MAPI) 3.0



Interaction of Threads over Time



Gates observed on each thread

The detail of the activities varies depending on the Project Level with respect to your budget or if project risk management is required

Note: As part of counseling and an Monitoring of the projects is taught in the annual training program field.



5. Project Management

Role of the Project Office (PMO)

- Develops processes, methodologies and tools that support Project Management
- Advises and supports project managers on the application of the methodology
 - Provides feedback on feasibility analysis of initiatives and cost-benefit analysis of projects
 - Monitors the correct execution of the gates defined in methodology
 - Provides support in the preparation of work plans for projects of institutional relevance
 - Collaborates in the elaboration of documentary reports and white papers
- Generates executive reports addressed to the Governing Board on the status of the Bank's project portfolio
- Identifies synergies between projects and establishes links between Administrative Units
- Coordinates Project Management Training
- Manage DCPD projects

6. Factors Critical of success

- Sponsorship of the Governing Board , the Governor and the management
- Involve the different levels of the organization in the definition of the strategy
- Understand that the planning framework and its tools should be useful in the first instance for the areas
- Have accurate and measurable goals
- Integrate concrete actions into work plans
- Linking strategy to budget
- Follow up on work programmes
- Align incentives to achieve strategic objectives
- Manage change across the institution
- Clearly communicate the strategy and the role that each of the employees plays in its implementation

Thank you!

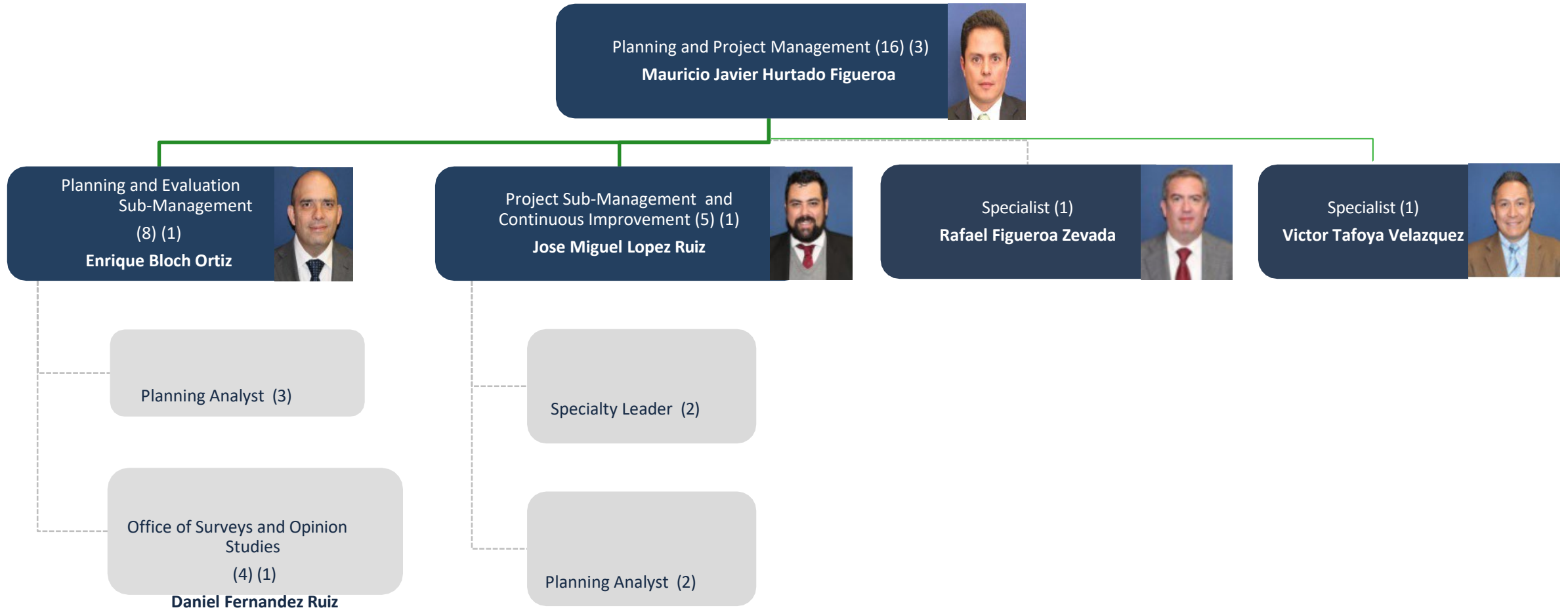
Questions and Answers



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Annex 1. GGP Organizational Structure



Annex 1. Structure Organizational *(continued)*

Functions GPP



Annex 2. GPP 1 attributions

- Coordinate the **process of institutional strategic planning**, in order to contribute to the definition of the medium and long-term objectives of the Institution.
- Coordinate the elaboration of the **institutional work program and the work programs of the areas**, as well as monitor and evaluate their compliance.
- Disseminate among staff the goals and objectives of the strategy and the institutional work program, as well as the results of its fulfillment.
- Promote **programs to modernize the processes** through which institutional functions are performed , seeking their congruence with the Bank's strategic objectives and priorities.
- Provide **follow-up to projects of institutional interest**, to report opportunistically to the Governing Board about their evolution and performance.
- Coordinate the preparation of internal institutional surveys aimed at staff, to evaluate the quality and satisfaction of corporate services.

¹ Article 27 of the Internal Regulations of the Bank of Mexico, attributions of the Directorate of Accounting, Planning and Budget

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Annex 3.

Guiding Axes and Institutional Objectives 2017-2022

Guiding Axis 1

Ensuring that society has a currency safe and efficient national

Guiding Axis 2

Maintain a low and stable inflation environment, efficiently implementing monetary and exchange rate policies

Guiding Axis 3

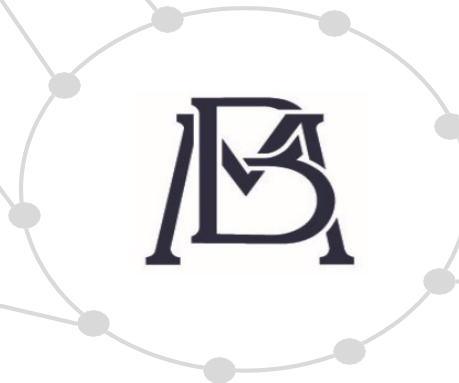
Contribute to the maintenance of the stability and proper functioning of the financial system

Guiding Axis 4

Promote that society has more services accessible and quality financial and payments

Guiding Axis 5

Maintain a rigorous analysis of the environment in which the Bank of Mexico is developing to issue public policy recommendations that contribute to price and financial stability, as well as to economic growth



Guiding Axis 6

Ensure that the Bank has human capital of excellence, with a high ethical and service commitment public

Guiding Axis 7

Strengthen transparency, communication and linking the Bank with society

Guiding Axis 8

Ensure that the Bank has operational processes in place efficient and subject to an adequate control scheme internal and risk management

Guiding Axis 9

Seek an integral management of the information, as well as how to strengthen your analysis and processing

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Annex 3.

Guiding Axes and Institutional Objectives 2017-2022

Guiding Axis 1 Ensure that society has a safe and efficient national currency.

1. Improve the capacities and efficiency of the Bank to meet the demand for national currency, with the quality required by society.
2. Inhibit counterfeiting of national currency.
3. Expand the Bank's knowledge and capabilities regarding technological innovations in electronic currencies.

Guiding Axis 2 Maintain a low and stable inflation environment, efficiently implementing monetary and exchange rate policies.

4. Provide relevant economic and financial analysis for the design and efficient implementation of monetary and exchange rate policy.
5. Efficiently implement and communicate monetary policy decisions to consolidate the anchoring of inflation expectations.
6. Maintain best practices in the international reserve investment regime and its administration.

Guiding Axis 3 Contribute to the maintenance of stability and proper functioning of the financial system

7. Keep the regulatory framework of the financial system and its infrastructures updated so that it is effective and in accordance with the national and international context.
8. Strengthen the supervisory scheme to ensure compliance with the provisions.
9. Strengthen the analysis to timely identify risks in the financial system, as well as to design and implement measures to mitigate them.
10. Promote good practices in the financial system and its infrastructures.

11. Develop analysis and implement actions that mitigate the risk of illicit operations within the financial system.

Guiding Axis 4 Promote that society has more accessible and quality financial and payment services.

12. Promote the use of secure and efficient electronic payment systems.
13. Promote the transparency of the characteristics and costs of the services Financial and means of payment so that users can make better decisions.
14. Provide analysis of the conditions of competition and strengthen measures to protect the interests of the public.
15. Eliminate barriers to innovation and development of financial services and means of payment.
16. Promote the inclusion and education financial.

Guiding Axis 5 Maintain a rigorous analysis of the environment in which the Bank of Mexico develops to issue public policy recommendations that contribute to price and financial stability, promoting economic growth.

17. Develop studies aimed at issuing economic policy recommendations that contribute to price and financial stability, promoting economic growth.
18. Ensure coordination with other financial authorities and agencies International.
19. Maintain best practices in the performance of the function as a financial agent of the Federal Government.
20. Contribute to the effectiveness of financial intermediaries for development.

 Guiding axes

Annex 3.

Guiding Axes and Institutional Objectives 2017-2022

Guiding Axis 6 Ensure that the Bank has human capital of excellence, with a high ethical commitment and public service.

21. Maintain adequate incentives to attract and retain staff of excellence.
22. Strengthen the development of human capital through training schemes and internal mobility .
23. Methodically select replacement boxes.
24. Strengthen internal equity and diversity.
25. Consolidate a culture of ethical commitment and public service.

Guiding Axis 7 Strengthen the Bank's transparency, communication and linkage with society.

26. Strengthen transparency by guaranteeing maximum access to information of public interest, safeguarding compliance with the responsibilities of the Institution.
27. Strengthen the Bank's communication and linkage with its different external and internal audiences .
28. Promote and improve the social responsibility practices of the Institution.

Guiding Axis 8 Ensure that the Bank has efficient operational processes subject to an adequate internal control and risk management scheme.

29. Strengthen risk management , the internal control system and the operational continuity of the Bank's critical processes.
30. Maintain the effectiveness of internal audit and improve its governance.
31. Strengthen the Bank's corporate and IT security .

32. Seek operational efficiency through the systematization and standardization of processes.

33. Maintain up-to-date the frame normative y assure his observance.

34. Improve the efficiency of the organizational structure.

35. Ensure the quality, efficiency and timeliness of the services within the Bank, as well as the real estate and technological infrastructure.

36. Strengthen the institutional planning and budgeting process , as well as the collaboration mechanisms between the areas.

37. Develop Mechanisms for foment the innovation to the interior of the Bench.

Guiding Axis 9 Seek an integral management of information, as well as strengthen its analysis and processing.

38. Strengthen information management practices and information analysis capabilities , so that it is available to those who require it.

39. Improve the quality and access to relevant economic and financial information for the Bank's different audiences.

40. Adopt the Best internship of protection of data Personal.

 Guiding axes

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Annex 4. Guide to methodological concepts

Pillars

What you want to achieve

How achievement will be measured

How you want to achieve

What

Guiding Axis 1: Ensuring that society has a secure and efficient national currency

Institutional Objective 1: Improve capacities and efficiency to satisfy the national currency with the quality required by society

Indicator. Meeting the demand for banknotes and coins in the required denomination

Meta. >99%

Process
Banknote

Project
Design and development of the new family of G

Human Resources (Individual Objectives)

Director General	Heads of Office
Deputy Managing Director	Operational Analyst

Budget

For the contracting of goods and services

resources will be

taken care of

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Annex 5


Communication campaign "Rumbo Banxico"

In order to consolidate a culture of planning and projects in the Bank, the *Rumbo Banxico* communication campaign was designed, which integrated messages in:

1. The consciousness e impact of the work y his relation with the achievement of the Bank's results.
2. The alignment of workers with the objectives of the Bank and contribute to the *Direction* of the Institution.
3. The recognition of new ideas and innovation.
4. Collaboration and a sense of belonging.
5. Promoting better ways of working.


Main deliverables


Interview Vi 

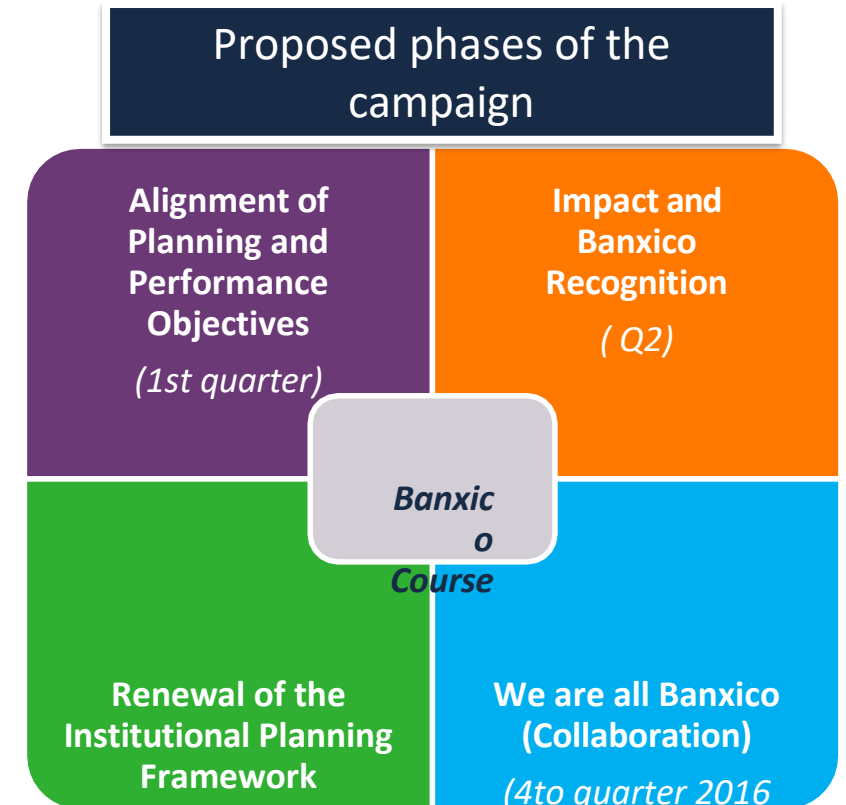
Express@ 

EXPRESS@

¿Consideras que tu trabajo impacta en el cumplimiento de la misión del Banco?

TEDx BANYICO 
Prayers activities and means

MAPI 



- **Workshops**

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Annex 6. Additional functions of the GPP

4.1 Institutional surveys and opinion polls

External surveys and opinion polls



- Quarterly and annual surveys are conducted on the following topics:
 - Uses and customs about cash
 - Quality of banknotes and coins in circulation
 - Access to cash and counterfeit currency
 - Uses and habits of payment methods (CoDi, SPEI and Cards)
 - Image of the Bank of Mexico
 - Financial Services User Satisfaction
 - Inclusion and financial education
 - Financial education in SMEs (OECD)
 - Qualitative studies (focal, neuroscience, etc.)
 - Studies for the selection of indigenous languages and their variants

✓ **This function is newly incorporated into the GPP.**

Internal services surveys

- Annual survey programs are developed to evaluate the quality of the services provided within the Institution.
- Based on their results, opportunities for improvement are identified and the responsible areas implementations for their attention.
- Additionally, the results are used to calculate monitoring indicators of the areas in their work programs.

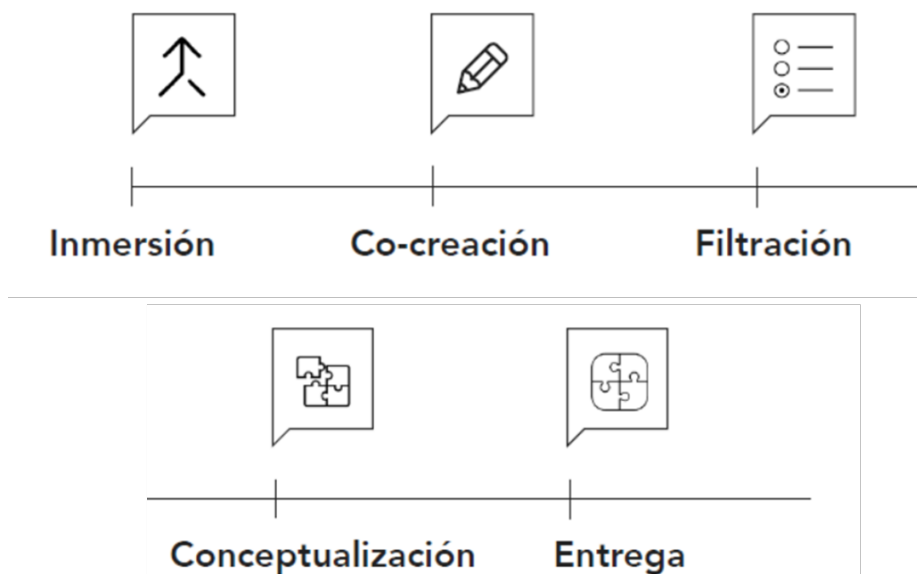


Annex 6. Additional functions of the GPP

5.2 Innovation process and continuous improvement

With the aim of promoting continuous improvement in issues of institutional interest, innovation exercises have been implemented involving workers and external links in order to identify solutions to problems of the institution. Likewise, improvements in institutional processes have been analyzed and implemented.

Innovation process activities Main



results of innovation and continuous improvement

- **Innovation 2017.** Exercise focused on new technologies which I consider 47 participants, obtaining as a result 4 ideas to develop ([Annex 2](#)).
- **Innovation 2019.** Exercise focused on risk management which I consider 41 participants obtaining as a result 5 ideas to develop ([Annex 2](#)).
- **Continuous improvement.** Improvements have been proposed and implemented in the planning and budget processes, central banking arrangements, physical distribution of personnel, among others.
- **Management and governance boards.** A platform is currently under development to integrate information from the Bank's management and governance processes. The prototype considers the integration of planning and human rights.



Additionally, as part of the continuous improvement activities, talks are held to publicize the main activities and projects developed by the Bank of Mexico from the **Banxico Ideas** platform.

Annex 7. Result of innovation exercises

Innovation 2017 Technology



Robot to solve doubts about the activities of the Bank of Mexico.



Simplified P2P title exchange via *blockchain*.



Platform to extend electronic payments to the unbanked.



Platform to centralize, store and distribute knowledge.

Innovation 2019



INVOLUCRAMIENTO
en la administración y control de riesgos

Risks Reinforce involvement in the risk management and control.



Cultura y comunicación de riesgos

Communication strategy to strengthen the importance of risk management and control.



REPORTAR INCIDENTES

Develop mechanisms to report incidents.



Tool for the agile, comprehensive and dynamic risk management and control process .



Redesign evaluation mechanisms of the internal control system.

Annex 8. PPM Indicators

Indicators	Meta 2021	Observed 2021	Meta 2022
1.- Index of collaboration in projects of the Bank of Mexico Percentage of projects in which at least two different Administrative Units collaborate.	≥ 30%	49.76*	≥ 30%
2.- Diversion of projects of the Bank of Mexico. Average deviation of projects included in the Work Programmes	≤ 25%	4.1%	≤ 25%
3. - Coverage of indicators Average sufficiency of indicators for each institutional objective	≥ 80%	87%	To be defined

* This reported value is a closing forecast calculated from the information contained in the Work Programs. The final value will be obtained from the evaluation of indicators and projects that will be carried out in the first quarter of 2022.