The Strategic Execution Framework and Less Developed Countries: A New Project Portfolio Management Paradigm for Implementing Economic Development Process

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Global development and geo-political landscape transformed from pre-history agrarian economy to industrialized economy to the service economy and presently, the information technology-driven boundary-less economy. According to Friedman (2005), the world became a global village when the Berlin Wall became the Berlin Mall and a new global entity and highly-leveled playing field was created - a new economy where government, business and individual adopt new capability for strategic realignment to maximize gains from globalization.

The vertical chain of value creation has given way to the horizontal chain to usher in a previously unthinkable new global convergence where emphasis shifted to developing nations for offshoring, insourcing, outsourcing, open-sourcing, supply-chaining and in-forming. These global forces in conjunction with strategic reengineering of productive resources have compelled global leaders, international development financiers, multinational corporations and decision makers to be more creative. This unprecedented creativity is required to stimulate positive environment and engender innovation to create the next era of breakthrough in global productivity.

It should be noted right from this outset, that the gradual transformation of the world from pre-history to the modern day economy have been engineered by a series of work packages which together make-up a project, which is also a subset of a program within a portfolio. Therefore, I can reasonably conclude that projects have been executed traditionally, from time immemorial by economic factors (consumers, investors and governments) to build new alliances, new frontiers, new industries, new global markets, new services, new systems, etc.

Considering the ongoing pressure to stimulate the New International Economic Order (NIEO), Park Et.al (1999) argues that the effectiveness of project, program and portfolio management has been a topical issue in the literature of Economics of Project Management. This embrace becomes ever more imperative given the need to optimize scarce resources to properly redistribute global resources to achieve long term growth particularly in the Less Developed Countries (LDCs).

In spite of LDCs’ access to financial resources from the western world, LDCs’ economies remain underdeveloped. In the last 50 years, the trillions of dollars from institutional, governmental, non-governmental and private development financiers in the
western world to LDCs have had little or no impact on LDCs (Colman, 1996). LDCs are marginalized by their own making to benefit from the ongoing globalization which remains a concern to the west and other international financiers. The SEF seeks to fill the vacuum created by a lack of effective model to plan and manage economic development process in LDCs.

I agree with Rajegopal, S. Et.al (2007), that project portfolio management is a cost minimization strategy or value engineering approach considering the economies of scale and efficient portfolio alignment with overall long-term. These imports are the bedrocks of the strategic execution framework, a relatively new model of program and portfolio management. The strategic execution framework is a direct response to the fast changing world order and it ensures proper and efficient change management.

**Strategic Execution Framework (SEF)** is a systemic, scientific and non-linear process of selecting, prioritizing, implementing and managing project portfolio in alignment with strategic long term growth (Morgan, 2007). The SEF is a methodical approach which leverages the tools and techniques of program and portfolio management to ensure efficient investment decision making process to achieve economic development project alternatives capable of impacting positive changes in LDCs.

If the SEF is well customized to the specifics of the LDCs’ socio-political and economic realities, i.e. by looking mostly inward, the strategic execution framework has the potency to resolve the perennial challenges of implementing and managing socio-economic development projects.
The Strategic Execution Framework Model

The SEF empowers and repositions economic development stakeholders to embrace the ability to do the right things and also, do the right things right to achieve the strategic business objectives of nation building. The Strategic Execution Framework methodology has the potential to customize the portfolio of development projects in LDCs by systemically re-aligning development project portfolio with identified long-term growth process.

The Ideation domain of the strategic execution framework (SEF) highlights transformative development projects geared toward clarifying, re-shaping, and re-defining the purpose, the identity, and the long-term intentions of the LDCs. The Nature domain compels LDCs’ leaders to make hard choices by investing in strategic project portfolio to modify or strengthen the governing culture and structure of the economy.

The vision domain of the SEF requires LDCs to invest in development projects that convert desired long-term intentions into growth strategy with clarified (SMART - specific, measurable, achievable, realistic and time-bound) goals and metrics. The
Engagement domain is the nerve-center of the SEF which necessitates bi-lingualism in leadership. The Engagement domain emphasizes that strategy makers who are oriented in strategic outcomes and project leaders who are oriented in project outputs marry a clearly communicated strategy with clearly aligned project portfolio and allocate scarce resources for successful execution, in a scalable, interdependent and iterative fashion.

The SEF Synthesis domain is the execution stage and it encourages LDCs to not only do the right development projects but also, to do the right economic development projects right. It compares the planned and the actual project portfolio at different stages in the strategic execution process by monitoring status, providing constant feedback and aligning project portfolio to reflect the marketplace and evolving strategy. The SEF’s Transition imperative creates seamless handoffs from the project portfolio management organization (Strategic Project Management Office – SPMO) by integrating project outputs into the mainstrem of the economy to achieve strategic outcomes (Levine, 2005).

It is an understatement that many Less Developed Countries have no institutionalized process for economic development. Therefore, the SEF is a timely response to the challenges of implementing and managing economic development in LDCs characterized by low level of income per head, inadequate infrastructure, lack of technological development, low level of research and development, low GDP, weak exchange rates, balance of payment problems, high inflationary rate, high level of corruption and unemployment, and underdeveloped industrial sector (UN Handbook on LDC, 2010).

Given the dismay results in development financing in LDCs, employing the SEF tools and techniques to manage economic development investment strategy is a ground breaking approach. Proper implementation of the SEF methodology necessitates an adaptable model with forward looking goals and metrics and proper accountability and executive commitment. The SEF methodical process must be streamlined to ease the identification and measurement of desired results of the executed project portfolio.

I believe that leveraging the SEF model to analyze LDCs’ socio-economic development will afford strategy planners and project leaders the opportunity to properly understand the problems and prospects for sustainable economic development. The SEF process will also result in increased ability to identify the challenges faced by the international development financiers like the World Bank, International Monetary Fund, etc in their efforts to implement and manage economic development project portfolio investments in LDCs.

The SEF process requires systemic thinking to ensure that investments in project portfolio are directed toward projecting a competitive image. The decision makers are repositioned to develop and maintain excellent interface with stakeholders to better
understand the white spaces and formulate proper strategy to manage the inherent dependency and interdependency among projects activities in the execution process.

Creating an excellent enabling environment is a prerequisite for the SEF. This will foster seamless handoffs of project outputs by the project management organization to the mainstreams of operations to achieve the economic development outcomes and reap the strategic benefits the project portfolio was designed to accomplish.

Therefore, implementing the SEF processes requires high level training so that LDCs’ decision makers and strategy planners will acquire the knowledge base of portfolio management to build the institutional architecture necessary for sustainable economic growth and development. This process will create a totally new set of technocrats with specialized skills set to drive the process of implementing and managing economic development in LDCs.

Implementation of the SEF in LDCs inevitably requires the creation of Strategic Portfolio Management Office (SPMO) as a center of excellence. This SPMO will provide best practices and methodologies to properly manage development projects as well as establish precedence for program and portfolio management practice. The SPMO functions as a hub at the level of the national government with resources ownership, and well anchored on effective governance system. This governance process will ensure that a potential project in the portfolio bucket has a clear statement of objectives, metrics, and the necessary connection to ongoing operations in the economy.

I agree with (Levine, 2005) that lack of sponsors who are well grounded on bi-lingualism, (understanding of economic development strategy and the decorum of project portfolio management), has been identified as a major setback in life-cycle management of development projects. The bi-lingualism is important to contain the logistics where strategy planners lack the ability to comprehend project leaders whose knowledge base is mostly in project portfolio management, and vice-versa.

However, project portfolio management process using the SEF emphasizes the importance of making well informed sponsors stay engaged to manage the white spaces in the trajectory as well as make strategic decisions, manage stakeholders and resolve issues to facilitate the process required to achieve the long-term objectives.

The effectiveness of the SEF in LDCs depends on the followings:

- Government commitment to invest in the long-term growth process
- Bilingual leaders with skills in strategic planning and portfolio management
- Public awareness of the initial disruptive effects of the SEF
- Efficient change management process
- Investments in portfolio management governance process
- Establishment of strategic project management office (SPMO)
- Efficient risk management culture: more proactive and less reactive
- Investment in integrated management systems

### Long-Term Performance Measurement Metrics in LDCs:

- Percentage increase in overall financial aid for economic development
- Percentage increase in GDP
- Percentage increase in foreign direct investment
- Percentage changes in Human Development Index
- Percentage changes in foreign exchange rate
- Percentage decrease in emigration to the western world
- Percentage increase in private sector contributions to the economy.

### Conclusions

Arising from the foregoing, it is evident that lack of effective model, blueprint, or template to shape investment decisions or actions is a major obstacle to strategic execution of economic development projects in LDCs. It is apparent that employing the SEF methodology makes it possible for LDCs to implement the right mix of portfolio of projects that strictly realign with economic development strategy and long-term objectives.

The strategic execution framework is a method of project portfolio management capable of repositioning the LDCs from the usual vicious cycle of poverty to a major player in the world market. The SEF is a groundbreaking approach in the literature of economics of project management and it enables the LDCs to develop a model to manage socio-economic development.

Strategic Project Management Office (SPMO) will be created to sustain an inevitable relationship between leadership in project portfolio management and strategy planners. Thus, it is believed that successful implementation of development process using the SEF will create a unique and authenticated scientific approach to manage sustainable economic development challenges and prospects in LDCs.

In the final analysis, the SEF ensures a reliable, repeatable and systematic method for doing the right things right, and provides clearer direction for resources management to ensure sustainability. The SEF model affords the LDCs a rare opportunity to sustain their growth process by creating a convenient alignment between project portfolio and the long-term objectives.

This research explores the application of the Strategic Execution Framework (SEF) to develop strategic decision-making guidelines to implement and manage economic development project portfolio in Less Developed Countries (LDCs). There is a capability gap between what LDCs need to know and what they actually know about socio-economic...
economic development project portfolio management. The lack of a model, blueprint, or template in LDCs has made it difficult for them to embark on any meaningful and sustainable development.

The yearly financial aid from international development institutions has not been able to resolve the perennial nature of the development problems in LDCs. Policy and decision makers in LDCs have not succeeded in proposing and designing efficient and indigenous guidelines to implement and manage economic growth and development. Using the Strategic Execution Framework, LDCs will be repositioned to establish and institutionalize a governance process to systematically implement and manage development projects.

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