

Project Management Report from Belo Horizonte



*By Manuel Carvalho da Silva Neto
International Correspondent
Minas Gerais, Brazil*

A Year of Projects and Non-Projects

2014 was for Brazil and Minas Gerais State a busy and eventful year, but do not let nostalgia.

It was the year of the FIFA World Cup and elections for president, senators, congressmen, governors and state legislators.

The World Cup has confirmed that the government Project Management in Brazil can't achieve deadlines, costs, quality, and is not even able to do a good risk management. But, it is very good in communications (only positive agenda) and acquisitions with over pricing. Many of the projects planned to be working during the World Cup so far are not concluded yet. Only in Belo Horizonte can cite the BRT and the International Airport. In the other 11 host cities the situation is not much different.

Interestingly, some private projects such as new hotels also failed to achieve their goals, which shows that the problem is bigger than it looks.

Of course, the fact that the Brazilian national soccer team have missed the tournament, and in a shameful way, also contributed to a certain malaise, which will last for a long time. And the great defeat, it was precisely in Belo Horizonte, when Germany won in a terrible, crippling and historic 7-1.

The elections, held in a very low and very dirty level of debates, confirmed at the national level the Workers' Party for four more years, which in the end will total at least 16 years of power. In Minas Gerais, the same Workers' Party left 12 years of opposition back to win the Palace of Liberty. This combination (the same party governing Brazil and Minas Gerais) should favor the State. It is expected that the federal government will invest in Minas Gerais all it failed to do so in the last three opposition mandates. Thus, it is expected that in Minas Gerais will occur many road, BRTs, subways, sanitation, electricity, housing and environment projects, boosting

the state economy and creating opportunities for Project Managers and helping the dissemination and consolidation of Project Management as a way to obtain success and the best use of public money. However, such projects need to be much better managed than the World Cup ones.

The PMI – Minas Gerais Chapter spent the year promoting lectures, Technical Meetings, courses, webinars, its traditional Annual Congress, the Meeting of Members and with all these things, won the Chapter Award because it achieved the higher retention rate in Brazil. In other words, it seems that the important thing now is to retain and not increase the number of members. Although, it seems that this is a trend not just in Brazil, and this gives food for thought. After all, what is the value that the PMI has for its members? The cost - benefit ratio is good?

At least one of the active educational institutions in Minas Gerais in Project Managers training, saw a significant drop in the number of new students. If this is the situation of other institutions (this is something to be researched) there are questions to be asked. Project Management lived a bubble? The Project Management courses are not so necessary? Or such no longer attend to the expectations of their students? Still, the low economic growth of the country and its also modest rate of investment are discouraging students who see their opportunities diminish?

The corruption scandal in Petrobrás also affects the situation of Project Management in Brazil and in Minas Gerais. Petrobrás is Brazil's largest company and the one that invests the most. Their projects are usually very large. Right now, its largest program is the extraction of oil at great depths, the pre-salt layer in the ocean (something like US\$ 200 bn).

The companies involved in the corruption scheme (23 in total), are already prevented from participating in new competition in the oil company. These 23 are the largest Brazilian construction and erection companies. One of them is from Minas Gerais and another has strong ties to the state, having been founded here. This creates an interesting situation, because to meet the demands of Petrobrás projects, you must open the well protected market of Brazil's services to foreign companies. Americans and Europeans, pay attention. There may be a great opportunity there.

It is expected that 2015 will be a year to fix the Brazilian economy. The Federal Government needs to pay its bills, reduce the public deficit, lower inflation and regain market confidence. There will be spending cuts, tax increases likely, and certainly the capital expenditures will be reduced. So there will be a difficult year for Project Management and Project Managers.

In spite of this, I hope to all a 2015 full of peace, health and success in your projects.

About the Author



Manuel Carvalho da Silva Neto

Minas Gerais, Brazil



Manuel Carvalho da Silva Neto, MSc, Mech. Engineer and PMP is Fundação Dom Cabral Invited Professor and also Consultant. He is a seasoned professional with over 40 years of experience in Project Management, Process Management and Strategy. Manuel has managed or participated in more than three hundred huge projects across different fields including Steel, Mining, IT, Telecom, Food Processing, Government and Construction, to mention a few. He worked also in projects to implement PMO (Project Management Office) and Project Management Methodology. He has also strong skills in Leading People and Finance. He served as Minas Gerais State Undersecretary for Planning and Budget, from 2007 to 2008. Manuel can be contacted at carvalhonetomanuel@gmail.com.