Strategic Investment Fund (FIE)

The Government of Chile’s Strategic Investment Fund uses Micro Focus® Project and Portfolio Management® for flexible management and monitoring of investments in key strategic projects.

Overview
The FIE was established in 2015 by the Productivity, Innovation and Growth Agency of the Ministry of the Economy as an instrument for investing in strategic projects which contribute to the diversification of the production infrastructure of the Chilean economy, promote innovation and improve productivity in key sectors. In addition to providing funding, the FIE also coordinates the various public and private players involved in projects to ensure consistency with the objectives set and support their improvement through continuous evaluation and monitoring and setting requirements in terms of results and impact indicators. The FIE currently has 34 initiatives under implementation, representing public investment of over $170 million, complemented by $800 million of funding from the private sector.

Challenge
Chile’s economic development policies have been extremely successful in recent decades. The country has enjoyed the highest average annual growth rate in South America over the last 20 years, multiplying its GDP by 6.6 and achieving the highest per-capita income in the region ($23,960 in 2016).

As part of the Chilean government’s goals to support the transformation of Chile’s production infrastructure, significant capacity was identified within the country across 11 sectors. A roadmap was drawn up for each sector, setting long-term goals and identifying appropriate joint public–private initiatives to achieve them. The FIE then prioritized the roadmaps based on their potential to transform the country’s production infrastructure. This resulted in a focus on six strategic programs: sustainable and smart mining; smart industries; healthy food; solar power; sustainable construction; and sustainable fish farming.

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THIERRY DE SAINT PIERRE
CEO of the FIE
Ministry of Economy, Development and Tourism

Since its inception, one of the FIE’s main responsibilities has been to put in place an adequate planning, governance, and monitoring system for the projects it funds. It has

At a Glance

- Industry
  Government

- Location
  Santiago, Chile

- Challenge
  Establish a system for adequate portfolio planning, governance and management of projects funded by the Strategic Investment Fund (FIE).

- Products and Services
  Project and Portfolio Management (PPM)

- Results
  + Standardized management of project initiatives of various parties applying for funds.
  + Availability of transparent information and visibility of FIE work.
  + Improved management and control of projects and early identification of risks and causes of problems.
achieved this through the standardization of mechanisms and processes, systematic gathering and analysis of information and data, and the definition of standardized results and performance indicators. The overarching goal has been to generate the information needed to respond to various scenarios that can arise during the implementation of initiatives while facilitating the production of reports and accountability to the Chilean authorities required in the use of public funds.

“We faced immense diversity and complexity in terms of the number of parties involved in each project across both the public and private sectors, as well as factors such as different technologies, market volatility and institutional problems and barriers. To make things even more complicated, each project is broken down into sub-projects, increasing the number of initiatives we manage to 113,” explains Thierry de Saint Pierre, CEO of the FIE, Ministry of Economy, Development and Tourism in Chile. “It was clear that we needed a powerful tool: a dynamic project portfolio management system with the flexibility to adapt to our specific needs and allow us to put in place a standard for monitoring.”

Solution
The FIE began by evaluating the available alternatives via the Chilean government public procurement platform, using it to contact the Emerging Technologies Group (ETG), the Micro Focus partner in Chile.

“We invited the different companies in Chile to offer a solution that would meet our needs. After evaluating the different proposals, it was clear that the Micro Focus PPM proposed by ETG fit our needs best. The proposal was comprehensive and attractive, looked beyond the short term and already had a sizeable international customer base, all of which gave us confidence,” remarks de Saint Pierre.

After just three months of preparation, the tool had been tailored to meet the FIE’s needs. It customizes the standard reports and screens, develops the required control panels, and creates new financial and risk indicators to allow the necessary monitoring by project and sub-project. “It all went very quickly and loading the projects was straightforward,” explains de Saint Pierre. “The other public stakeholders were extremely surprised by how quickly everything was up and running. In our previous experience, tools like this one have taken many months, even years.”

Unlike other solutions that only offer time tracking and project planning, PPM has a built-in work flow engine that automates operations and business processes, making it possible to view projects, optimize their management and ensure they are correctly aligned with the goals set.

“The work flow concept is extremely important for us, since it allows us to monitor projects by deadlines,” explains de Saint Pierre. “We receive a monthly financial report and a six-month technical report. Micro Focus PPM generates alarms if deadlines are not met, sending them to project managers and our project executive team to remind them.”

In addition to being able to rely on accurate, up-to-date information, another important feature of a project management system is the ability to display data in a correct, timely and operational manner. Micro Focus PPM provides the FIE with a powerful specialized information reporting tool that can handle data analytics, geographic information for initiatives, financial data and any other indicator that needs to be displayed visually.

“As a public fund, the FIE is accountable to the General Comptroller of Chile and the Ministry of Finance. These institutions can request an audit of the FIE’s project portfolio or request specific project information at any time,” explains de Saint Pierre. “Micro Focus ensures we are systematic and have the information to hand, both for specific projects and across the whole portfolio. It also serves as a repository of the data and documentation for different programs and projects. The system has even allowed us to provide the Ministry of Finance budget department with direct access to the system, allowing them to connect and retrieve the information they need.”

Results
Micro Focus PPM has made it possible to standardize the management of initiatives of the different parties applying for funds. This helps consolidate information and manage the distribution of funds in line with the priorities set by the Ministry of Economy, Development and Tourism.

The information available online is continuously updated, making it possible to see how funds have been allocated and managed, as well as the processes that have been followed. This meets the requirements for the transparency and availability of information while making visible the work of the FIE.

Accurate knowledge also helps improve control over project management, making it possible to spot the difficulties facing individual projects, see how they are progressing and identify the causes of any problems that appear in a timely manner. Early control allows the FIE and project managers to analyze the risks for each project and respond promptly.

“We aim for the FIE to be a transparent and efficient organization with the capacity for comprehensive monitoring of projects, from approval through to culmination,” explains de Saint Pierre. “At an early stage, the Inter-American Development Bank evaluated our operations over a 10-month period. It noted
“At an early stage, the Inter-American Development Bank evaluated our operations over a 10-month period. It recognized the fundamental role played by the flexible management and monitoring systems we implemented using Micro Focus PPM.”

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“We are extremely satisfied with Micro Focus and ETG, and we’ve always had an excellent relationship with them. They’ve always provided a quick, efficient and satisfactory response,” remarks de Saint Pierre.