Experience in Strategic Planning Management and Project Management

Planning and Project Management

July 2022
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   • Evaluation
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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

2007
First strategic plan
- 2006 the strategic planning area (DGPE) is created
- The strategic plan 2007-2011 "To the Avant-garde"

2009
Results-Oriented Management Model
- Initiates the instrumentation of a model to link budget to planning
- An Institutional MAPI Project Management Methodology is defined
- A PMO is created to support project managers and track strategic projects

2012
Guiding Axes and Institutional Objectives 2012-2016
- The conceptual framework of planning is updated, making it more comprehensive of all the Bank’s activities

2017
Guiding Axes and Institutional Objectives 2017-2022
- Review of Straight Axes and Institutional Objectives
- MAPI 2.0
- New Indicator System

2022
Plan for 2022
- Updating the conceptual framework capitalizing on lessons learned from previous exercises
- Introduction of project standard and gate scheme (MAPI 3.0)
- CEMLA Seminar

2023
New strategic plan 2023-2028
3. Structure organizational

- Governorship
  - Directorate-General for Administration
    - Directorate of Material Resources
    - Accounting, Planning and Budgeting Department
      - Accounting and Financial Reporting Management
        - Financial Information Sub-Management
      - Budget Management
        - Budget and Cost Sub-Management
      - Planning and Project Management
        - Project Sub-Management and Continuous Improvement
    - Human Resources Management
Sub-management of Tax Affairs

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.

Variable periodicity according to the period defined for the elements of strategic planning, (Guiding Axes and Current Institutional Objectives 6 years)

JG.- Governing Board of the Bank of Mexico

JG, Governor and Heads of the areas

A. Definition of the

• Analysis of the environment
• Definition of Mission and Vision
• Definition of Guiding Axes and Institutional Objectives

Areas

B. Planning

• Definition of indicators and targets
• Project definition
• Definition of staff performance objectives

Areas

C. Elaboration of the

• Determination of budgetary resources for the operation and projects

Areas report to JG

D. Follow-up

• Follow-up of:
  a. The result of your indicators
  b. The projects of the areas
  c. The budget

JG and hierarchical superiors

And.

Areas

Evaluation of:
• Indicators
• Projects
• Staff performance

Periodicity annual

Variable periodicity

Periodicity Quarterly

Areas report to JG

Follow-up of:

a. The result of your indicators
b. The projects of the areas
c. The budget

4.1 Definition of the strategy

Elements of the current planning framework

The Bank of Mexico has the priority objective of preserving the value of the national currency over time and, in this way, contributing to improving the economic well-being of Mexicans.

To be an institution of excellence deserving of the trust of society for achieving the full fulfillment of its mission, for its transparent performance, as well as for its technical capacity and ethical commitment.

GUIDING AXES (9) 5 linked to the purposes and priority objective of the Institution, and 4 to issues of governance and institutional services.

INSTITUTIONAL OBJECTIVES (40) They define the aspects of greatest relevance on which efforts will be focused in the fulfillment of the functions of the Institution.

They describe the indicators (results) and projects with which each area will contribute to the achievement of the Institutional Objectives, including the budgetary requirements necessary for the operation and development of the associated projects.

Annex 3. Guiding Axes and Institutional Objectives 2017-2028
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 sales themes (e.g. digitalisation, strengthening resilience).
- There may be specific strategies for particular domains (e.g. IT, HR) 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:

<table>
<thead>
<tr>
<th>Governor and DG’s Kick Off Session</th>
<th>An Analysis of the Planning Advisors’ Environment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviews to identify guidelines and strategic issues to consider</td>
<td>Revisión de Misión y Visión Asesor Objetivos y Asesor Responsabilidades</td>
</tr>
<tr>
<td>Mechanisms to capture the opinion of Bank employees</td>
<td>Identificación de Objetivos y Asesor Objetivos</td>
</tr>
<tr>
<td>Planning Week Semana de Planeación</td>
<td>Identificación Iniciativas y Asesor Objetivos</td>
</tr>
<tr>
<td>Planning Advisors PLANNING RETREAT</td>
<td>GOB, DG’s and Advisors of Planning</td>
</tr>
</tbody>
</table>

- Integration of Strategic Objectives and Initiatives Participating UAs
- Proposal of an EA Strategic Plan to JG 1
- Implementation of specific projects and monitoring of key indicators
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**:

<table>
<thead>
<tr>
<th>Working Group</th>
<th>Examples of themes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monetary Policy and Financial Stability</td>
<td>• Mechanisms of interaction in the field of financial stability and economic policy.</td>
</tr>
<tr>
<td></td>
<td>• Synergies in the use and analysis of information.</td>
</tr>
<tr>
<td>Means of Payment, Competition, Transparency and Financial Inclusion</td>
<td>• Efficient payment systems (cash and electronic means).</td>
</tr>
<tr>
<td></td>
<td>• Mechanisms to promote effectiveness, efficiency and competition in the financial sector.</td>
</tr>
<tr>
<td>Institutional Services and Control</td>
<td>• Operational efficiency in institutional services and control systems.</td>
</tr>
</tbody>
</table>
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.

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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:

- 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.

**Figure 1.** Status of the projects of the areas

Total projects: 203

**Figure 2.** Status of area indicators

Total indicators: 113
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 Program 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.
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**

<table>
<thead>
<tr>
<th>Initiation</th>
<th>Planning</th>
<th>Execution</th>
<th>Monitoring and Control</th>
<th>Closin</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Feasibility Analysis of a Initiative</td>
<td>1. Define scope and resources in detail</td>
<td>1. Integrate the team and run the activities of the Work</td>
<td>1. Review status and resources</td>
<td>1. Close acquisitions</td>
</tr>
<tr>
<td>2. Identify risks of inception</td>
<td>2. Develop the Work Plan</td>
<td>2. Coordinate and supervise tasks</td>
<td>2. Evaluate changes and new requirements</td>
<td>2. Free up resources</td>
</tr>
<tr>
<td>3. Prepare the Cost Analysis - Benefit</td>
<td>3. Plan and record acquisitions</td>
<td>3. Follow up on the mitigation actions and alternate actions</td>
<td>3. Track risks</td>
<td>3. Prepare and present the Closing Act</td>
</tr>
<tr>
<td>4. Integrate the initiative or project into the portfolio</td>
<td>4. Plan for risk mitigation</td>
<td></td>
<td>4. Monitor and control acquisitions</td>
<td>4. Archive information</td>
</tr>
<tr>
<td>5. Present the initiative of initiatives and projects for authorization</td>
<td>5. Review, approve and disseminate the Work</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Prioritize initiatives and projects</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Interaction of Threads over Time**

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 Annual 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 DCPP 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
Annex 1. GGP Organizational Structure

Planning and Project Management (16) (3)
Mauricio Javier Hurtado Figueroa

Planning and Evaluation Sub-Management (8) (1)
Enrique Bloch Ortiz

Planning Analyst (3)
Office of Surveys and Opinion Studies (4) (1)
Daniel Fernandez Ruiz

Project Sub-Management and Continuous Improvement (5) (1)
Jose Miguel Lopez Ruiz

Specialty Leader (2)
Planning Analyst (2)

Specialist (1)
Rafael Figueroa Zevada

Specialist (1)
Victor Tafoya Velazquez
Annex 1. Structure Organizational (continued)

Functions GPP

1. Management and monitoring of indicators
2. Evaluation of Indicators and Projects
3. Institutional Surveys

1. PMO
2. Coordination of planning workshops for the areas
3. Coordination of innovation workshops

1. Strategy definition
2. Coordination of annual planning
3. Dissemination of goals, objectives and results
4. DCPP Project Management
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
Annex 3.

Guiding Axes and Institutional Objectives 2017-2022

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

**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 accessible and quality financial and payments services.

**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.
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.

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.

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

11. Develop analysis and implement actions that mitigate the risk of illicit operations within the financial system.
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.
20. Contribute to the effectiveness of financial intermediaries for development.
Annex 3.

Guiding Axes and Institutional Objectives 2017-2022

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.

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.

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 and 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.

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.

Pillars

What you want to achieve

How achievement will be measured

What resources will be

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
Deputy
Managing Director

Heads of Office
Operation
Analyst

Budget For the contracting of goods and services

resources will be
taken care of
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** and **impact** of the work and 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**
• Workshops
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 implement actions 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

<table>
<thead>
<tr>
<th>Inmersion</th>
<th>Co-creación</th>
<th>Filtración</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conceptualización</td>
<td>Entrega</td>
<td></td>
</tr>
</tbody>
</table>

#### 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

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

Risks Reinforce involvement in the risk management and control.

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

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

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

* 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.