

REGIONAL REPORT – ECUADOR



Ecuador: Opportunities for Everyone

A Status Report on Project Management in Ecuador

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Project Management circumstances in Ecuador could be summed up in one phrase: ***Opportunities for Everyone.***

From professional people and gremial organizations, to public and private sectors, these all have the opportunity to take advantage of the benefits of this worldwide tendency for implementing best practices in Project Management.



The Real Scenario

Ecuador, worldwide known because of its natural beauties, such as Galapagos Islands, is a country sized 270 thousand Kms². It is located on the West Coast of South America, specifically South of Colombia. Its population goes over 12 million habitants¹ with an unemployment range that goes around 9%.

Since the dollar was established as the local currency in 2000, Ecuador has maintained certain BIP economic stability of a 156.6% from 2000 to 2006². During last year, it was able to generate exports (except from petroleum) of over 5,000 million dollars. The main products were: Bananas, shrimp and flowers. In 2007, the Central Bank of Ecuador (Banco Central del Ecuador) expects a growth of 4.28%³ for the economy of the country.

In spite of the economical re-direction reached after having dollars introduced as the local currency, Ecuador is going through a very dull politic instability. As a consequence, the risk index of the country went from 483 in the year of 2005 to 1048 at the beginning of this current year, and ended up to 618 in June.

¹ Data obtained from the Census and Statistics of the National Institute (www.inec.gov.ec)

² Report from IDE Business School (www.ideinvestiga.com)

³ June 2007 Report obtained from the Central Bank of Ecuador(www.bce.fin.ec)

The last official reports about foreign investments indicate that Ecuador got from this an income of \$956 million until June of 2005, with the petroleum segment the one that generated increased amounts⁴.

Opportunities for Enterprises

The global competitive index 2006-2007 from the Worldwide Economic Forum⁵ locates Ecuador in position number 90 out of a list of 125 countries. In Latin America, Ecuador only beats Honduras, Nicaragua, Bolivia and Paraguay.

Based on the Industrial Competitive report about Ecuador⁶ which edits the Competitive and Industry Bureau (Ministerio de Industria y Competitividad), some of the mistakes by Ecuadorian enterprises are: the lack of investment in technology, poor or ineffective production, and access to human resource with low quality in education, among others.

Some goals in the foreign commerce association were added to this scenery, which obliges these private and public entities to be prepared to face regional and global competition. This being said, leads us to the point of having the opportunity for projects focused on the optimization of processes, the practice of technology, the implementation of quality systems, among other challenges.



Opportunities for Professionals

As per Alberto Ávila, Consulter Manager for Deloitte-Ecuador, there are only a few entities that have defined a position for Project Managers in their organizational structure. Nevertheless, receptions of personnel soliciting jobs, who have a profile of Project Managers, are more frequent as time goes by. This can also be perceived to the level quantity of certified professionals. Even though there is no official data, it is estimated that around 25 Project Management Professionals (PMP®) are registered in the country.

Enrique Ledesma MSc. PMP® agrees with Ávila and emphasizes the lack of knowledge about the benefits of applying better practices and guides for Project Management inside entities. Ledesma states that the areas that actually take the first place on the application of Project Management in Ecuador are mainly: Petroleum, energy, software, construction and Finance.

Another important actor is the government, which develops projects in different social areas, energy, public works, among others. An example of this is the hydroelectric project “Coca-Codo-Sinclair” which will allow the creation of 1,500 megawatts of energy and will start in 2008. This

⁴ Data obtained from Ecuador Invest (www.ecuadorinvest.org)

⁵ This ranking could be found in www.weforum.org

⁶ Report advertised by the Competitive and Industries Bureau of Ecuador and the United Nations Industrial Development Organization (UNIDO) <http://www.unido.org/doc/35782>

project is part of a plan of development programmed for the next 8 coming years and will need at total investment of around US\$ 3.2 billion.

If we consider the actual possibilities and needs of public and private entities, it would be established a scenario with opportunities, so that professionals in different areas could obtain knowledge and skills needed in Project Management.

Opportunities in Education

These two last years it has been noticed the increased capacitating offers in the area of Project Management. An involved participant is the Ecuadorian Association of Software (Asociación Ecuatoriana de Software - AESOFT)⁷, which established as a goal the improvement of quality and result of their partners' projects through capacitating in Project Management. As per Miguel Angel Rodríguez, Executive President for the AESOFT, the institution offers training as a regular strategy with a high level of assistance of participants. Since last year, it has organized four courses, with the participation of 120 professionals, from which approximately 18 have been certified.

Besides AESOFT, other institutions, including an international chapter of the Technology Institute of Monterrey, organize in a periodic manner, courses and seminars about related topics. Even though the offer exists, in Ecuador there is no Registered Education Provider (REP) authorized by the Project Management Institute (PMI)

Opportunities for the Society

Ecuador is one of the few countries in Latin America that does not have a formal organization to group professionals in Project Management. This is also due to the few PMI members that exist in the country. As per Ledesma, who is the Community Formation Liaison, the founding of a PMI Ecuador Chapter is in the process of being confirmed and estimates that will be operative at the end of the year with nearly 100 members.

The foundation of this entity will allow the spreading of the profession in different organizations and around the community, besides of providing with capacitating and creation of related topics to Project Management. Ledesma highlighted the importance of establishing this organism as a potential strategic allied for the development of different organizations and the country.

Opportunities for Everyone

With the real economic situation, the future panorama and the need for improving competence, this added to interesting projects that lead to development, a scenario of opportunities is foreseen, where the most benefited will be the country.

⁷ More information in www.aesoft.com.ec

The incorporation of Project Management as a discipline for professionals, entities and institutions, will be a facilitating factor to develop projects that will allow Ecuador to face real and future challenges.

More information about Ecuador in www.viveecuador.com



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