



PRINCE2® Business Benefits

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Section 1 Introduction

As the pace, amount and complexity of change continues to increase, transforming operations so as to achieve a beneficial future state whilst maintaining ‘business-as-usual’ remains the crucial challenge for organizations. This challenge creates a natural tension which, in most cases, always requires more time and money to manage than anticipated.

Projects provide the means by which organizations can transform their business operations. Project management, therefore, is the mechanism by which this transformation process is managed.

This white paper discusses the business benefits that organizations can attain by adopting a structured, controlled, repeatable and robust project management method. The particular project management method ‘under the spotlight’ in this white paper is PRINCE2®.

The content of this white paper is structured as follows. Section 2 discusses what PRINCE2 is and its place within the global project management industry, whereas Section 3 defines exactly what is termed ‘PRINCE2 Business Benefits’. Section 4 ‘makes the case’ as to why formal project management (and, indeed, a structured approach) is needed with Section 5 exploring the business benefits of adopting PRINCE2 from the perspectives of 1) the commercial sector, 2) the public sector, 3) the voluntary (or ‘third’) sector and 4) the individual. Section 6 provides some practical advice as to how organizations can adopt PRINCE2 and ‘exploit’ the business benefits of using this method, with Section 7 wrapping up the paper’s findings. Finally, Section 8 lists the referenced publications and provides recommendations for additional reading.

Of course, it is recommended that this white paper is read in full but for those readers already familiar with PRINCE2, Section 2 can be skipped. Similarly, if you are already a project management

advocate, Section 4 can be omitted. But keep an open mind - who knows, you may learn something new about a topic you thought you knew all about!

Section 2 What is PRINCE2?

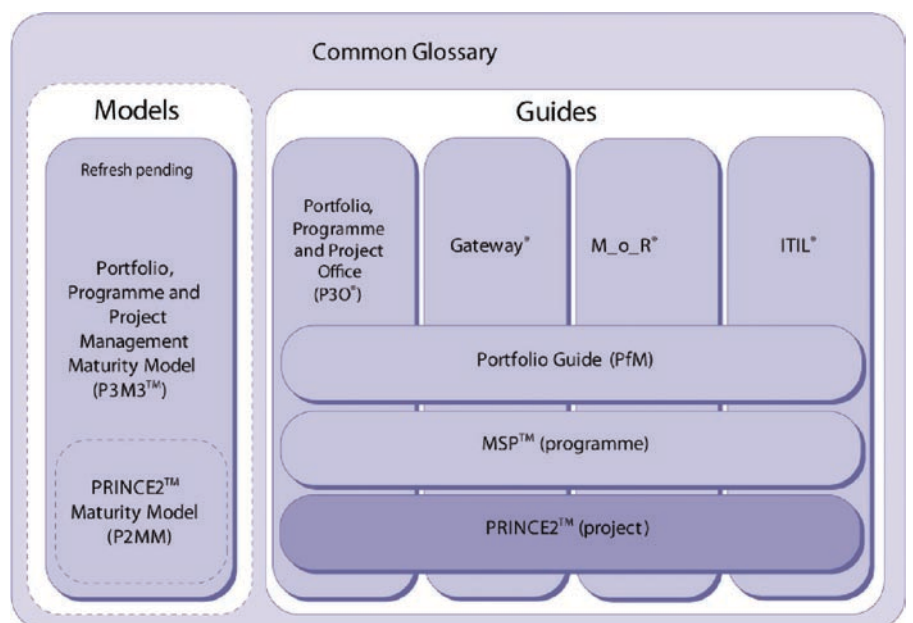
This section does not go into a detailed treatise as to what PRINCE2 is - there is plenty of literature around to describe exactly what PRINCE2 is - and so the reader is referred to the following sources: the full PRINCE2 method consists of two volumes, the first volume, [1], is aimed at people involved in running projects and support roles, and the second volume, [2], is primarily for people who sponsor or direct projects. Of, course I am not saying that people who sponsor or direct projects are excluded from reading the first volume (and vice versa) – indeed, I advocate the very opposite; that is, *all* personnel involved in projects (irrespective of their roles) should be familiar with *all* parts of the PRINCE method.

So, what is PRINCE2? Projects IN Controlled Environments (PRINCE2) is a generic and structured project

management method based on a wealth of experience drawn from thousands of projects undertaken in organizations around the world. Input into the method has come from many stakeholders (project managers, sponsors, project teams, industry leading experts, lecturers and consultants) and the final publication has gone through a rigorous review process to ensure it fully meets the needs of the project management community.

PRINCE2 is a method; a framework; an umbrella under which project management can be undertaken with efficacy. PRINCE2 provides guidance on *what* to do (in order to run a project) and *why* it should be done this way, but draws the line at prescribing *how* to do it. PRINCE2 is about *managing projects not about doing the work* and this is a subtle difference that must be appreciated fully to understand and implement PRINCE2. If PRINCE2 concerned itself with *doing* then it would cease to be generic and lose some (or, indeed, all) of its efficacy.

PRINCE2 is the ‘best practice’ project management method, published (on behalf of the UK Office of Government Commerce) by TSO (The Stationery Office). PRINCE2 is part of a portfolio of ‘best practice’ guidance produced by



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Figure 1: UK Office of Government Commerce ‘Best Practice’ Portfolio of Products

the UK Office of Government Commerce aimed at helping organizations and individuals manage their business change initiatives, the others covering programme management (Managing Successful Programmes - MSP™ [3]), risk management (Management of Risk – M_o_R®, [4]), corporate support functions (Portfolio, Programme and Project Offices – P3O®, [5]), Portfolio Management ([6]), review process (Gateway®, [7]) and service management (ITIL®, [8]). Further models to assess organizational capacity to deliver business change (maturity models) are also published by the UK Office of Government Commerce: PRINCE2™ Maturity Model (P2MM, [9]) and Portfolio, Programme and Project Management Maturity Model (P3M3™, [10]). Figure 1 on the previous page is a diagram of the structure of the ‘best practice’ portfolio of products.

Accompanying these guides, where appropriate, is a professional certification scheme. For PRINCE2 the qualifications are: PRINCE2 Foundation and PRINCE2 Practitioner.

PRINCE2 is truly an international standard. Although originating in the UK, its appeal and, indeed, business benefit is recognised globally. There are PRINCE2 qualifications being taken in all continents and the PRINCE2 method [1] and [2], and PRINCE2 examinations have been translated into numerous languages: French, German, Danish, Polish, Italian, Spanish, Dutch and Chinese.

Additional information and resources are available from the following websites [11] and [12]. The first reference, PRINCE2 Best Management Practice, is the official umbrella website providing support for all levels of adoption of PRINCE2 (and, indeed, all of the best practice products) and is dedicated to making access to the guidance quick and easy. The second URL, PRINCE2 Official Site, is another excellent website for PRINCE2 resources.

Section 3

‘PRINCE2 Business Benefit’ – A Definition

As this white paper is entitled ‘PRINCE2 Business Benefits’, let’s define what we mean by the term ‘business benefit’ and, therefore, what this white paper will, subsequently, focus its attention on.

According to [13], a benefit is defined as: ‘*n.* something that improves or promotes’, whereas [1], page 19, defines a benefit as ‘the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders’. The clear message here, unsurprisingly, is that for something to be seen as a benefit it has to result in some kind of *improvement*. Just exactly what *kind* of improvement makes the ‘measurable’ part of the definition the most important *parameter* to consider, and this aspect will be looked at in more detail in Section 5.

I have not overlooked the fact that the second definition of a benefit (i.e. from [1]) references the term ‘outcome’ and so, naturally, any benefit claimed depends on what outcome(s) the organization originally *wanted* to achieve. Indeed [13] defines an outcome to be ‘*n.* something that follows from an action or situation; result; consequence.’ When it comes to what outcome(s) organizations want to achieve from adopting PRINCE2 - and that is what I am really talking about when I say ‘PRINCE2 Business Benefits’ (see definition at the end of this section) – up there somewhere near the top of the list (if not at the top) must be: ‘improved business performance’. However, ‘improved business performance’ is a generic term that means different things to different industry sectors and, therefore, requires further investigation. Section 5 covers this.

Interestingly, in the definition of outcome, the term ‘consequence’ has negative connotations (as well as positive ones) and looking at it from this perspective, an outcome will still be achieved (albeit, perhaps, undesirable or not what was anticipated) as a result of any inaction or failure to exploit the action/situation fully.

The above definition of outcome also mentions the phrase ‘something that follows from an action’ - implying that the manifestation of the outcome occurs *after/later on* from when the action or situation occurred. Thus, when our actions are completed we can only *hope* that they will result in the improvements that we desire (or, in the case of inaction/failure to fully exploit, any predicted undesirable consequences will not manifest).

Therefore, I propose the following corollary for the phrase ‘PRINCE2 Business Benefits’: any improvements will only fully manifest if PRINCE2 is *embedded* within an organization.

If you accept this corollary (or even if you don’t!) from this point forward the phrase ‘PRINCE2 Business Benefit’ is defined to be:

‘The measurable improvement in business performance resulting from the adoption and consistent use of PRINCE2 across all parts of an organization.’

Section 6 provides some guidance on how to embed PRINCE2 within an organization.

Section 4

What's all the Fuss About? The Need for Project Management?

So far I have talked about what PRINCE2 is and what the term 'PRINCE2 Business Benefit' actually means, but *why* do we actually *need* project management in the first place? Isn't project management just another term for 'formalised common sense'?

So, where did it all begin? [14], Chapter 2, pages 33 – 85, provide a fascinating insight into the origins, evolution and growth of project management. Furthermore, this same publication describes a number of project management concepts that are accepted as industry standard in today's 'modern project management' world.

But what of PRINCE2? Where did it stem from? For those of you who can remember PROMPT (Project Resource Organization Management Planning Technique) from the mid-1970s (or even if you can't), one component of this was PROMPT II which was concerned with systems development. In 1983, the CCTA (Central Computer and Telecommunications Agency) – who eventually became the UK Office of Government Commerce – developed and introduced 'Government PROMPT' into UK Government departments. Towards the end of the 1980s – 1987 to be exact – the CCTA updated the method and renamed it PRINCE (PROjects IN CONTROLLED ENVIronments) which was formally launched in 1990. Subsequent developments lead to PRINCE2 being launched in 1996 with major revisions of PRINCE2 in 2005 and 2009.

So now we know the history of project management and PRINCE2, but this still does not answer the question posed earlier of: is there a *need* for project management? Let alone a structured

method. Well, yes, there is a need for project management and there is *certainly* a need for a structured project management process.

Take a moment to think if you have ever managed a project. Whether employed as a project manager at work or not, I guarantee you have all managed projects at some point. Have you ever had a conservatory erected in your garden? Or had an extension to your house? Or bought a car or house? Or redecorated your home? Or organised an event of some sort? Sound familiar? Well, all these are projects and all have required management in order for you to realize *your own* 'business benefits'. On one memorable PRINCE2 event, a delegate challenged me by asking if buying a banana (or, indeed, any piece of fruit for that matter) was a project and if I realised *my* business benefit. I'll leave you to draw your own answer to this question!

I am not saying you sat down and for each project you wrote a full 'Project Initiation Document (PID)' – the PRINCE2 term for the piece of information (see [1], page 254) 'that defines the project, in order to form the basis for its management and assessment of its overall success'. However, I am willing to bet that you certainly knew *why* you were undertaking the projects, *what* it was you were doing, *who* was doing the work, *when* it had to be done by, how it was being done, *how much* it was going to cost, and I also bet that you kept an eye on it. If so, you had a PID (of sorts) and you were performing the role of a project manager.

Now recall your experiences of doing any such projects. Maybe you experienced a few 'hiccups' along the way? Perhaps some things cropped up that you didn't expect? Things not quite done to the standards you expected? Ended up spending more than originally intended? Or maybe I am being too cynical and everything went 'according to plan'? Be honest with me, would you have benefited from knowing a bit more about how to manage these projects properly? Maybe a few guidelines based on other peoples'

experiences as to what to do and what not to do? I'm sure we all would! If so, you are admitting to needing some form of a process for undertaking effective project management.

Now scale up to projects in your own organizations. Maybe the size of the projects are bigger, perhaps more politically important, even part of a programme, but the problems on these projects are fundamentally the same as above - formalising to project management terminology, respectively: risk/issue management, quality management, budgeting and cost control. With all that in mind, how many of these have you experienced in your organization? In which case, are you admitting to your organization needing a process for undertaking project management?

Given the discussion above, I will state that *effective* project management is not just formalised common sense – if it was, then could it be argued that some of the problems we have all encountered should not have occurred in the first place? It's not a (organizational) weakness to admit we may need a little help sometimes to ensure our projects go smoothly.

As the 'PID' discussion in previous paragraphs highlighted, the degree of management 'rigour' applied to projects will differ. So we must not make the mistake that 'one size fits all' when it comes to *applying* a process to managing projects. But we can confidently claim that what you *need* to do to manage projects is fundamentally the same – e.g. establish the business need, define the scope, manage risks, agree quality requirements, set-up effective project controls etc – you just need to decide *to what extent* all of this should be applied on your projects.

Section 5

What's in it for 'ME'? The PRINCE2 Business Benefits

And so to the title of this white paper: 'PRINCE2 Business Benefits'. The previous section discussed what the 'fuss' is all about when it comes to project management and touched on the obvious business benefit: 'better delivery of projects'. In Section 3 we defined what the term PRINCE2 Business Benefit means. So, how does 'better delivery of projects (through the consistent use of PRINCE2)' relate to 'measurable improvement in business performance'?

A good question! And one that is multi-layered and, therefore, requires a multi-layered answer. We cannot address this question by treating all organizations the same – different organizations have different 'drivers for change' with projects undertaken for a whole host of different reasons. What we can do, however, is look at the problem from a number of perspectives. So, the 'ME' in 'What's in it for ME?' refers to:

- an organization in the commercial sector
- an organization in the public sector,
- and organization in the voluntary (or 'third') sector and
- an individual.

Whatever the organization in whatever industry sector, are we really just saying that the business benefit of PRINCE2 is being able to deliver projects on time, to cost, to quality? Is this all it really 'boils down to'? In part, yes, but the implications of this mean different things depending on what sector you operate in.

Section 5.1

A Commercial Organization

For commercial organizations projects represent the means by which new products are brought to market. What these new products are, how are they developed, marketed and launched all manifest through projects, and organizations that can undertake better project delivery may be able to reduce time-to-market and create a competitive advantage resulting from early (or first) introduction. What does all this mean in truth? Increased market share and increased profitability – a commercial organizations' measurable improvement in business performance?

Another way to look at this same point is if we consider corporate reputation and perception in the market place – which are integral to a commercial organizations' success. Can corporate reputations and consumer perception be enhanced (and, therefore, maybe market share/profitability) as a result of better project delivery through consistent use of PRINCE2? Let me state my case as to why I consider the answer to be 'yes'. Imagine that you are developing a new product and through poor project delivery (including poor quality control) the product is launched with defects. As a result, you have to recall all units from consumers. They could (and probably will) be very costly to replace, but what about the effect on your corporate reputation? How do consumers now perceive you in the market place? How do you measure any financial 'loss of reputation'? I'm sure we can think of situations where we have seen or experienced this happening. Better project delivery may mean that these issues (or similar) will not arise in the first place, and may even result in a superior product being launched. The measurable improvement in business performance may not (initially) manifest in terms of increased market share/profitability, more in terms of 'protecting' current corporate reputation/consumer perception. Invaluable in its own right!

Commercial organizations are, of course, not just concerned with introducing new products to increase market share and profitability. Some projects may be to implement new/updated processes to streamline the business (i.e. reducing costs), improve quality of existing products, implementing quality initiatives within the organization (e.g. alignment of business processes to ISO standards or setting up of continuous professional development (CPD) schemes for employees) or undertaking 'green/social responsibility' projects (initiatives such as reducing waste, reducing carbon footprints, ethical trading etc). Better project delivery is still required to ensure the projects deliver the capability expected (whatever the context of that capability).

Of course, as discussed in Section 4, projects don't always go smoothly. Cost overruns are commonplace on lots of projects and additional budget may have to be found to fund the remainder of the project (if still deemed an organizational priority). The question is, where does this additional budget come from? It could come from contingency funds for just such events (as is very common) or from other sources – for example, private finance or some projects in the corporate portfolio closed to release resources for other uses. Either way, the remedial actions to compensate for cost overruns could mean that resources may no longer be utilised for their original purpose or less resources are physically available. This could have the further consequence of the organization (possibly) not being able to undertake its full portfolio of projects and, hence, not achieving all of its corporate/strategic goals. Depending on the nature of the organizations' business this could be commercially damaging.

Often, commercial organizations will tender for work with other organizations (typically public sector ones). Frequently respondents have to demonstrate *how* they will engage and manage the work, should they be successful. What is their track record in delivering similar projects of this nature? All of this relies on project

management. As PRINCE2 is the 'best practice' project management method, organizations that have adopted and consistently used PRINCE2 (i.e. have a track record) may find themselves at an advantage in the tender process as PRINCE2 is a known quantity, is generic, has a common language that crosses industry sectors - so project personnel can engage and communicate more effectively - and is 'tried and tested'. In short, for a lot of commissioning organizations (especially public sector ones) it may be less *risk* to work with a supplier organization that has a track record in successfully using PRINCE2 to run projects.

Section 5.2

A Public Sector Organization

Unlike a commercial organization, public sector bodies (for example, central government, local authorities, health organizations, police etc) are not concerned with market share and profitability. So what does 'measurable improvement in business performance' mean for a public sector organization?

Measurable improvement in business performance in this context refers (in the main) to public service transformation and/or improvement. Of course the type of 'green/social responsibility' initiatives and quality projects discussed above as considerations for commercial organizations have the same (if not greater) significance for public sector bodies, as projects in this sector will have a direct influence on the users of public services (i.e. us).

The discussion in Section 5.1 of poor project delivery meaning resources may not be used for their original purpose, of course, holds true in the public sector. The notable difference being, however, that not achieving corporate/strategic targets may have more of a consequence *for each and every one of us* - as we are *all* users of public services of some form - public services may not get transformed or improved to the same degree as originally intended.

At the very least, the PRINCE2 Business Benefits can manifest themselves in the form of meeting legislative requirements. Whilst it is not feasible to list all the legislation that adoption and consistent use of PRINCE2 could contribute to, a key piece of legislation that affected public sector organizations was the 'Gershon Review' ([15]) which stated "...efficiency gains of over £20 billion in 2007-08 across the public sector have been identified and agreed". If public sector organizations achieved better project delivery through the consistent use of PRINCE2, then this would mean that (as discussed above) public sector bodies may achieve their corporate/strategic targets more effectively and efficiently - hence contributing to their 'Gershon' efficiency targets. Even though the timescale of the legislation has now expired, the public sector still strives for efficiency gains.

When commenting on the potential loss of corporate reputation resulting from poor project delivery, this argument also applies to a public sector body. Although public sector bodies may not be measuring the financial consequences of consumer perception, local and central government in particular are very concerned with public opinions on their services. So, could the implications of poor project delivery manifest through negative opinion polls? Better project delivery (through the consistent use of PRINCE2) may (like for a commercial organization) 'protect' existing/current opinions (or maybe even enhance them).

Through the adoption and consistent use of PRINCE2, enabling better project delivery and measurable improvement in business performance, it may be the case that a project management 'Centre of Excellence' is established. P3O® ([5]) was mentioned in Section 2 (and will be mentioned again in Section 6) and is, in essence, what I am referring to when I say establishing a 'Centre of Excellence'. This will allow project (and programme and portfolio management, for that matter) to mature and embed within the organization - resulting in further improvement in business performance.

Section 5.3

A Voluntary (or 'Third') Sector Organization

This type of organization is similar to that of a public sector one in that their primary concern is not market share or profitability. Therefore, the propositions relating to the PRINCE2 Business Benefits for the public sector are also applicable to this sector.

The type of organizations I am referring to in this sector are for example, charities, humanitarian agencies and not-for-profit organizations.

In the public sector discussion it was highlighted that the opportunity cost of poor project delivery can have a significant effect on the users of their services, but when relating to the voluntary sector the users are recipients of some form of aid. In which case, the opportunity cost of poor project delivery is even greater as project managers in this sector often have responsibility for life affecting and life-saving projects.

As discussed in Section 2, PRINCE2 is an international standard. It is often the case (maybe more often than not) that charities and humanitarian agencies will be running projects that cross not only industry boundaries but also geographical ones. As PRINCE2 is generic, has standard terminology and is teachable and repeatable, agencies co-ordinating projects across continents will be able to increase the chances of successful project delivery through this commonality of approach. In a recent press release, [16], Eric Berg - the Chief Executive Officer of LINGOs (Learning for International Non-Government Organizations - a consortium of over forty international humanitarian relief, development, conservation and health organizations that share learning resources and experiences) - stated that a one-percent improvement in the effectiveness of twelve well known Non-Governmental Organizations would yield an additional \$47 million to spend on projects each year. Eric Berg went on to say that the impact in terms of quality improvement would be even higher.

Let's just think about this for a moment. Not only is this figure of \$47 million staggering in itself, but even greater effectiveness would yield even more funds for additional projects. The nature and portfolio of projects that could be undertaken with these additional funds, and the impact they could have on human lives, is humbling.

So here we have, perhaps, the most direct 'measurable improvement in business improvement' that would result from better project delivery. Adoption and consistent use of PRINCE2 will contribute to this.

Section 5.4

An Individual

How does the definition of the PRINCE2 Business Benefits (from Section 3) apply to an individual? What does 'measurable improvement in business performance' mean from a personal perspective? How can an individual 'adopt and consistently use PRINCE2'?

Well, the definition still holds, except that we are talking now about an individual's 'competency' to run projects *consistently* in accordance with the PRINCE2 method. So how does an individual attain this competency? Personal experience cannot (and should not) be ignored – neither should the benefit of holding a PRINCE2 qualification. The ideal set of PRINCE2 competencies would be a product of PRINCE2 experience and a PRINCE2 professional qualification. In other words:

PRINCE2 Competence = PRINCE2 Experience x PRINCE2 Qualification

Holding a PRINCE2 qualification will result in recognition (from the project management industry) that an individual has achieved a level of knowledge in the subject in accordance with the certification standards. As mentioned already, PRINCE2 has been translated into numerous languages and, therefore, is truly an international standard. Let's acknowledge and be upfront by recognizing that PRINCE2 qualifications are highly regarded by employers (for the reasons stated above) and

look impressive on an individual's CV. However, the equation above implies that holding a qualification does not automatically give an individual the right to claim PRINCE2 Competence – i.e. a 'measurable improvement in their business performance'.

PRINCE2 training is available globally through Accredited Training Organizations (ATOs) who offer a wide range of courses leading to attainment of professional certification; namely, PRINCE2 Foundation and PRINCE2 Practitioner. More information on organizations who offer accredited PRINCE2 examinations, or how to become an ATO, can be found through the APM Group – www.apmgroup.co.uk, +44 (0)1494 452450. Details of specific PRINCE2 training events can be found by contacting the individual ATOs directly.

In essence, adopting and consistently using PRINCE2 to run projects is good risk management. As PRINCE2 crosses industry boundaries, all concerned know what to expect, accredited training and consultancy is available, knowledge can be shared and disseminated and extensive resources are available for people to use. All resulting (if we do it right – see Section 6) in measurable improvement in business performance – i.e. realizing their PRINCE2 Business Benefits.

Having looked at each of the perspectives of 1) a commercial organization, 2) an organization in the public sector, 3) an organization in the voluntary (or 'third') sector and 4) an individual, one thing is common to them all: that improvement in business performance will be maximised *if organizations can increase capacity and capability in PRINCE2*. An often understated PRINCE2 Business Benefit is that if organizations are adopting and consistently using PRINCE2 'across the board', it may be that project management is regarded within that organization as a dedicated career path (and so it should be, in my humble opinion!). The knock on effect could be that opportunities may present themselves for individuals to further

their careers in project management, to increase their knowledge, to mentor new project managers, to share their knowledge and experiences, to shape project management policy (and why not programme management and more?) and even set up a P3O. All of this may, in turn, result in (additional) stability of project management resources which organizations can build upon to realize their PRINCE2 Business Benefits further.

This stability will only be achieved, however, through the adoption and consistent use of PRINCE2 across an organization (i.e. *embedding* PRINCE2 in your organization). So, let's turn our attention to how to do this.

Section 6

How Hard Can It Be? How to Embed PRINCE2 in Your Organization

It's not as straightforward as you might expect. That is not meant to be a negative statement, more saying let's go into this with our eyes open. The previous section described the business benefits that organizations could achieve through adopting PRINCE2, but these benefits will not be realized by simply implementing a project management method in isolation from the rest of the company.

There is a fascinating book called *Outliers: The Story of Success* ([17]) by one of my favourite authors, Malcolm Gladwell, in which he makes a compelling case that individual success is not just about talent and hard work (although talent and hard work cannot be ignored), but as much about opportunity and something the author describes as 'cultural legacy'; that is, the people we interact with and their values have a profound effect on who we are. In essence, *Outliers: The Story of Success*

discusses that individual success is a product of talent, hard work, opportunity and ‘cultural legacy’:

Success = Talent x Hard Work x Opportunity x Cultural Legacy

Can this idea of success being more than just talent and hard work be extended to projects within organizations? I consider the answer to be ‘yes’ - if ‘cultural legacy’ refers to the existing maturity of an organization to embed PRINCE2. The other parameters must be considered if organizations wish to embed PRINCE2 successfully and if we interpret the above equation from an organizational perspective, what I am advocating here is a holistic approach to *embedding* PRINCE2. Let’s, then, explore this a bit further.

There is certainly plenty of project management talent in organizations working very hard – take a good look around your staff, I’m sure you’ll be pleasantly surprised. I don’t consider these first two parameters in the equation to be a bottleneck to success. Moreover the key challenges for organizations to overcome are based around the *opportunity* to use PRINCE2 (and possibly refine for their own particular needs) and their ‘cultural legacy’. Fortunately, these challenges are not insurmountable as we shall now see.

Let’s take ‘opportunity’ first. As an experienced PRINCE2 lecturer working with numerous organizations, I have seen thousands of delegates attend events and get ‘fired up’ at the prospect of using PRINCE2 back in the workplace once the course has finished. Let’s be realistic, not all delegates who attend a PRINCE2 course are interested in using it back in the workplace – some are solely interested in gaining the PRINCE2 Foundation and PRINCE2 Practitioner qualification for personal and/or professional development reasons (and why not? Recall Section 5.4) - but a large proportion of delegates are (as well as gaining the qualifications, of course!). However, not through lack of willingness or effort, sometimes they do not get the opportunity to experience just what

benefits PRINCE2 can bring. Due to a variety of reasons (for example, lack of organizational-wide buy-in, lack of willingness to change business processes to enable full implementation, lack of infrastructure to support a corporate wide method, poor understanding of what PRINCE2 is – and the list can go on) organizations may not create the environment whereby PRINCE2 can be practised and the benefits of such exploited. A crying shame as they are there to be had! Organizations *must* create opportunities to allow PRINCE2 to be practised and engineer the correct environment to enable success.

Following this argument, a strong case can be made for a structured approach to *Portfolio Management* [6] defines portfolio management to be ‘a co-ordinated collection of strategic processes and decisions that together enable the most effective balance of organizational Change and Business as Usual’. An organization undertaking effective portfolio management will increase the likelihood that the right projects are being done and, hence, create the opportunities to allow PRINCE2 to be practised - since the decision making process to arrive at the selection of a particular project, surely, must include some acknowledgement of the maturity of the project management environment in which it will operate. Which brings me nicely onto the last parameter in our equation: ‘cultural legacy’?

So, how does the ‘cultural legacy’ of an organization create a challenge to the successful *embedding* of PRINCE2 and how is the ‘culture legacy’ changed to ensure this can be achieved?

An organization has to decide what *outcome(s)* it wants to achieve through adopting PRINCE2. As we have seen in Section 3 (and in [1], page 19), the definition of a benefit (of a project) is the ‘measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders’. Therefore, if the organization does not know what it wants to achieve from adopting PRINCE2, then it cannot hope

to realise the full business benefits of it. This is the first step in overcoming inherent ‘cultural legacy’ – clarity on what it is they want to achieve from a project management method. Hopefully the discussion from Section 5 will help organizations decide. Organizations must recognise the need to transform their business operations to encompass PRINCE2 - after all, the adoption of PRINCE2 is a change and must be managed in the most appropriate way (using PRINCE2, of course!). The more mature organization will recognise this means to justify the end – less mature organizations may not.

Could any lack of maturity in project management be down to the existing culture within the organization? Certainly. What is the existing culture of project management like in your organization? Are you doing the ‘correct’ projects as well as doing projects ‘correctly’? Is project management considered a dedicated career path? Are the skills and attributes of a good project manager recognised as professional skills in their own right? Is support, advice and guidance available from experienced project management professionals? Are projects (still) being undertaken by individuals on top of their ‘day-job’? Sound familiar? In my experience, this last comment is probably the most common ‘complaint’ from delegates on PRINCE2 events – that they can see the benefit of using PRINCE2 but they are too busy doing their ‘day job’ to give it their full attention. This is a classic case of an organization having talented and hard working individuals and providing an opportunity to use PRINCE2 (albeit limited – perhaps through not adopting portfolio management), but the inherent culture of the organization does not permit full exploitation due to the way it operates (i.e. its cultural legacy does not allow it).

[1], page 215 makes a distinction between *tailoring* and *embedding*. Tailoring refers to ‘the appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, control, governance and

use of processes and themes', whereas embedding is defined as 'the adoption of PRINCE2 across and organization'. To overcome 'cultural legacy', organizations must look to *embed* PRINCE2 - not simply tailor or use it on an ad-hoc basis.

As I have already advocated, the way to embed PRINCE2 is to treat the problem holistically and look at an organization as a whole greater than the sum of its parts. It will take more than a few templates and exam successes to embed PRINCE2 - sorry about that! Even if the desire to embed PRINCE2 is manifest, the means to make it happen may not be. As we have mentioned, organizations will have to change their business operations to embed PRINCE2 - to quote from [3] page 184, if I may: 'the embedding of the new capability into the business such that it becomes 'business-as-usual' is where benefits realisation occurs'. This is the task at hand – put in place the capability to embed PRINCE2 and *see it through* so that PRINCE2 becomes the 'norm' for managing projects.

So, what is the required capability we desire? Certainly a method, templates and knowledgeable individuals, but what else? Here a *maturity model* can be used to help us identify the capability gaps in the organizational processes. A 'maturity model' is a hierarchical approach that enables organizations to assess their current capabilities in Portfolio and/or Programme and/or Project Management to allow diagnosis of areas for improvement that will make the biggest impact on performance. The PRINCE2 Maturity Model is referenced in [9] and looks at just the organizational capacity to use PRINCE2. To 'throw the net wider', and consider the inherent maturity in portfolio and programme management, organizations can look to use P3M3™ - Portfolio, Programme and Project Management Maturity Model (see [10]).

We first met both P2MM™ and P3M3™ in Figure 1 and just as only ATOs can provide training events that lead to PRINCE2 qualifications, only Accredited Consulting Organizations (ACOs) can undertake P2MM and P3M3

assessments. More information on ACOs and who offers P2MM and/or P3M3, or how to become an ACO can be found through the APM Group – www.apmgroup.co.uk, +44 (0)1494 452450. Details of specific events can be found by contacting the individual ACOs directly. For P3M3 a questionnaire is available for download (from: <http://www.p3m3-officialsite.com/home/home.asp>) for organizations to undertake a P3M3 assessment themselves, but it should be noted that this will, naturally, not be as effective as doing any assessment with an accredited and experienced consultant working for an ACO. As an aside, the equation in Section 5.4 on PRINCE2 competence can be modified for P2MM and P3M3 and the argument still holds.

This is all well and good and maturity modelling can help identify what needs to be done. But, as stated, organizations must *know* what outcome they want to achieve (i.e. what level of maturity they wish to achieve) as if the capability gap is too great, and organizations wish to 'fix' too much too soon, embedding may not be as effective as originally anticipated.

Any recommendations *must* also include capability for an infrastructure to ensure that PRINCE2 is supported in business-as-usual. [5] is the UK Office of Government Commerce guidance for setting up a Portfolio, Programme and Project Office (P3O). This will give PRINCE2 a 'home' in the organization and a P3O could take on accountability for the continual process improvement and competency development of staff in PRINCE2 and project management.

The final part of 'cultural legacy', and perhaps the most important part, is that organizations must *want* to change. The business benefits of adopting PRINCE2 may look good on 'paper', but if there is no desire or drive from the organization to change, all the individual talent and hard work will be 'fruitless'. *Please* don't neglect the human aspects of all this – your staff are your best assets and, ultimately, they will be the ones who determine whether the business benefits of your decision to embed PRINCE2 will actually be realized.

Section 7

Conclusions

So that's it - a detailed treatise on the PRINCE2 Business Benefits for the commercial, public and voluntary sectors, and also the individual!

Except that this white paper has discussed more than the title suggests. It was necessary to contextualise the title by defining what PRINCE2 is, why there is a need for project management (and, indeed, a structured method) and what is actually meant by the term 'business benefit'. After discussing how better project delivery through consistent use of PRINCE2 can lead to a measurable improvement in business performance, and (hopefully) 'whetting an organizations' appetite' to strive to achieve such benefits, this white paper concluded by providing some practical advice as to how to embed PRINCE2 into a company – as this is what is required to be successful in this endeavour.

In today's ever changing world, risk is inherent in everything we do. Who knows what the future holds? There is, however, only one thing we know to be true – the world will not be the same as it is now! Projects are the means by which organizations transform their business operations, and organizations will have to change to survive. Those that embrace this challenge will prosper - those that don't will struggle. Given this degree of uncertainty, organizations must transform as effectively and efficiently as possible and project management is the enabler for this success.

PRINCE2 is the industry standard project management method and is, therefore, a known quantity. It is generic, has a common language that crosses industry and geographical boundaries, is 'tried and tested', repeatable and teachable. With a wealth of experience, resources, education and consultancy available PRINCE2 is a risk management tool for organizations that wish to change/transform with efficacy.

Perhaps this is the most powerful PRINCE2 Business Benefit of all.

Section 8

References and Further Reading

The following publications are referenced in the text and recommended as additional reading:

[1] *Managing Successful Projects with PRINCE2*, Edition 5, The Stationery Office, Norwich, 2009. ISBN 978-0113310593

[2] *Directing Successful Projects with PRINCE2*, Edition 1, The Stationery Office, 2009. ISBN 978-0113310609

[3] *Managing Successful Programmes*, Edition 3, The Stationery Office, 2007. ISBN 978-0113310401

[4] *Management of Risk: Guide for Practitioners*, Edition 2, The Stationery Office, 2007. ISBN 978-0113310388

[5] *Portfolio, Programmes and Project Offices*, Edition 1, The Stationery Office, 2008. ISBN 978-0113311248

[6] *Portfolio Management Guide*, Final Public Consultation Draft, 2008. http://www.ogc.gov.uk/documents/PfM_Guide_OGC.pdf

[7] *Office of Government Commerce Gateway™ Review Process*. http://www.ogc.gov.uk/what_is_ogc_gateway_review.asp

[8] *ITIL Publication Lifecycle Suite*, Version 3, The Stationery Office, 2007. ISBN 978-0113310500

[9] *PRINCE2™ Maturity Model (P2MM)*, Version 1, 2006. http://www.ogc.gov.uk/documents/PRINCE2_Maturity_Model_Version_1.pdf

[10] *Portfolio, Programme and Project Management Maturity Model (P3M3™)*, Final Public Consultation Draft Version 2, 2008. <http://www.p3m3-officialsite.com/home/home.asp>

[11] *PRINCE2 Best Management Practice website*, <http://www.best-management-practice.com/Project-Management-PRINCE2/>

[12] *Official PRINCE2 website*, <http://www.prince-officialsite.com/home/home.asp>

[13] *Collins Concise Dictionary* (2000), Edition 4, HaperCollins Publishers Limited, Glasgow. ISBN 0 004723961

[14] Harold Kerzner (2003). *Project Management: A Systems Approach to Planning, Scheduling and Controlling*, Edition 8, John Wiley & Sons, Inc., New Jersey. ISBN 0 471225770

[15] Sir Peter Gershon, CBE (2004). *Releasing resources to the front line. Independent Review of Public Sector Efficiency*. ISBN 1 84532 032 8. © Crown copyright 2004

[16] APMG 192 – PMD Press Release, APM Group Limited, (2009)

[17] Malcolm Gladwell (2008). *Outliers The Story of Success*, Penguin Books. ISBN 978-0141036250

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