Best Management Practice ™

PRINCE2® for small-scale projects

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'An excellent review of the challenges people face when using PRINCE2® for smaller projects, together with very useful and practical recommendations on how to scale down the method without losing the essence of its principles.'

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Contents

1   Introduction

This section explains the rationale for a 'light-touch' approach to the management of small projects based on PRINCE2®. Since the launch of PRINCE2 in 1996 organizations have worked to embed the method and this introduction describes some of the outcomes.

1.1   Projects today

Most organizations recognize that the pace of change is increasing, but the sheer speed and scale of change today are greater than they have ever been. Whether change is brought about by funding constraints, new market opportunities, altered policies and regulations or continuous improvement, today's senior management expects rapid results and succinct delivery from change projects.

There is pressure on organizations to deliver more for less in a shorter time period; this requires them to optimize the delivery of benefits from projects. This trend has given rise to shorter, lower-cost projects designed to achieve 'fit for purpose' solutions coupled with a focus on results and benefits. This type of project still needs to be managed, however; utilizing PRINCE2 without effective tailoring could prove too onerous for this scale of project.

In addition, the increased awareness of project management in general has encouraged organizations to classify a wide range of business change initiatives as projects which might not have been managed as projects previously. Inevitably, included in these will be far more small-scale projects than large. Even those organizations that have embarked on 'transformation' programmes also have a need for a simple-to-use approach to the myriad of (typically small) delivery projects that are used to implement the strategic changes the programme is designed to bring about.

Those new to project management are typically assigned small, low-risk projects that might not require the full application of PRINCE2 to manage them. These individuals will probably not have the experience or knowledge to be able to tailor PRINCE2 to their projects. This could lead to an ad-hoc approach to small projects, with potentially poor outcomes.

Since the introduction of PRINCE2 there has been an increase in the level of awareness of project management best practice and professional skills. This means that organizations and Project Managers still wish to use a best practice approach for their smaller projects, but wish to adopt a pragmatic, consistent, light-touch means of achieving this.

A key benefit of PRINCE2 is that it is an acknowledged standard and those working on small projects do not wish to compromise the quality of project management but instead simplify the project lifecycle to achieve the business benefits

within the identified constraints. PRINCE2 has been designed to be easily tailored; however, this can prove to be a lengthy and difficult solution for organizations without the required project management expertise.

Therefore, there appears to be a market need for a best practice project management approach that would help organizations manage their smaller projects based on the excellent tailoring guidance spread throughout PRINCE2.

Within the business change community there is an acceptance of the portfolio, programme and project structure as defined by OGC* in the Portfolio, Programme and Project Management Maturity Model (P3M3®). It is important that any light-touch application of PRINCE2 fits within this structure and is able either to be used as a standalone approach to project management or to link with Managing Successful Programmes (MSP®) and Management of Porfolios (MoP™) to provide a coherent best practice structure.

This White Paper will demonstrate that a light-touch tailored PRINCE2 approach need not compromise porfolio, programme, project and risk management (P3RM) best practice principles. Furthermore, organizations that implement such an approach and integrate it fully into their working practices will still be able to demonstrate high levels of P3M3 maturity in their projects.

2   Best Management Practice and small projects

This section describes how Best Management Practice currently views small projects and concludes that, in the absence of clear and simple guidance, such projects struggle to adopt the guidance available. It also considers the impact on the maturity and capability of an organization in project management.

2.1   PRINCE2

PRINCE2 has often been seen as bureaucratic or only applicable to large-scale projects. While much effort was made in 2009 to revise PRINCE2 to include aspects of tailoring to the appropriate environment and scale of the project, it does not provide detailed guidance in one place as a valuable resource for the project manager operating in a PRINCE2 environment running a small project.

Most organizations who have adopted PRINCE2 have tailored the method to suit their business and one of the key drivers has been to simplify the method for those running small projects so that they are not burdened with the same rigour and information needs as for larger projects. Many organizations would place over half of their projects by number into the small projects category.

A further issue that has emerged with the popularity of PRINCE2 and project management generally is that the word 'project' is often used for a piece of work that does not need to be set up and run as a project. This has caused project overload in some organizations.

Although *Managing Successful Projects with PRINCE2 2009 Edition* contains some excellent guidance on tailoring for this situation, this is structured across the themes and the processes/activities.

2.2   Work Packages

A key concept within PRINCE2 is that of using Work Packages to provide a clear means for the Project Manager to pass responsibility to a Team Manager or team member so that they deliver the products required by the project. This means that in addition to the many small projects that exist today, there are also a huge number of Work Packages that contribute to delivering parts of larger projects.

Each Work Package contains information that enables such work to be planned, undertaken, reviewed and formally accepted. There are many similarities between a Work Package and a small project. If the Work Package is undertaken in a commercial setting, for example, the Team Manager may treat this work as a small project themselves and could usefully adopt some succinct guidelines.

2.3   'PRINCE in name only'

Inexperienced Project Managers are often deployed on small projects, as are part-time ones combining their project role with normal day-to-day activities. While the advice in PRINCE2 is to tailor the method, most people running small projects lack the expertise and time to do this without taking management risks. In these circumstances people adopt a 'PRINCE in name only' (PINO) approach by picking out the most straightforward parts of the method and leaving out the more difficult concepts.

The problem with this PINO approach is that the inexperienced Project Manager may leave out elements of the method that are actually essential for the project to succeed. Clearly any project will need a plan, a Business Case, a risk assessment, some controls and a simple organization. If a solution existed that made it easy for the inexperienced or informal Project Manager to access guidance in these areas, the concerns around PINO projects would diminish.

The following are examples of real statements that the author has heard about projects:

- 'I have a plan but it is in my head!'
- 'Why am I doing this project? Because the boss told me to!'
- 'My project has no risks.'
- 'We'll know we have finished when the work stops.'
- 'I am both the manager and the sponsor of this project.'

2.4   PRINCE2 Maturity Model

Part of the P3M3 approach, the guide to the PRINCE2 Maturity Model (P2MM) describes the organizational processes and practices required for the effective implementation of PRINCE2 as an organizational standard. P2MM includes guidance on assigning ownership, tailoring the method, training, integrating PRINCE2 with other management systems and establishing quality assurance mechanisms to gain a continuous improvement capability. Usually the PRINCE2 method is adopted by organizations across all projects, including small ones.

The five maturity levels in the P2MM are:

Level 1 – awareness of process. Most managers of small projects are aware of their project management processes.

Level 2 – repeatable process. Most Project Managers of small projects adopt a similar approach, although this may be inconsistent across the organization.

Level 3 – defined process. Most organizations do not have specific guidance embedded for those running small projects.

Level 4 – managed process. The processes for small projects are not usually managed.

Level 5 – optimized process. Sub-optimal processes for small projects can slow down delivery and cause bureaucracy and frustration.

P2MM focuses on the following seven process perspectives, which can be assessed at all five maturity levels:

- Management control
- Benefits management
- Financial management
- Stakeholder engagement
- Risk management
- Organizational governance
- Resource management.

If a light-touch approach for small projects were embedded then all seven process areas would see performance improvements.

3   What is a small project?

This section describes what is meant by the term 'small project' and discusses the point at which a piece of work needs to be managed as a project rather than as a one-off task.

3.1   Features of a small project

What is a small project? Firstly 'small' is a relative term. For example, in a global corporation it may mean a budget of millions. In a small charity it may mean a budget of thousands. It is not as straightforward as just using a budget line or a

duration limit. There are other aspects of the project to be considered before deciding that it can be managed using a light-touch approach.

PRINCE2 provides a useful framework to help address this question in the six tolerance areas described in the method. This will help you decide on the most suitable management approach as shown in Table 1.

Table 1 Small or large project?

Tolerance area	Small project	Large project
Time	Short term	Medium to long term
Costs	Less than a value defined by the organization as appropriate for their business	More than a value defined by an organization as appropriate for their needs
Scope	Simple and well defined. Stable dependencies	Complex and vague. Dynamic dependencies
Risks	Low risk, modest changes, failure a local difficulty	High risk, major changes, failure a major disaster
Quality	Fit for purpose. Single discipline	Complex, multi-discipline
Benefits	Direct from the project and clearly defined. Single sponsor	Related to other projects and hard to pin down. Multiple sponsors (Board)

A number of these statements will have values attached to them with different amounts depending on the organization and its prevailing governance and financial rules.

Other areas are harder to quantify and so whoever approves the project would need to make a judgement as to whether it should be run using a small or large project approach (PRINCE2). Where projects have a combination of factors in both columns it is still up to the judgement of those authorizing the project to determine the best management approach. This choice should also be influenced by the competencies and experience of the Project Manager.

3.2 When does a piece of work become a project?

The use of the word 'project' to describe a piece of work has become commonplace even when referring to relatively simple tasks. When PRINCE2 is applied to these smaller projects this results in an overhead of governance that often renders PRINCE2 unpopular and unwieldy. Unless the method is tailored to the smaller projects it will not be effective. But guidance is needed as to what constitutes a project to avoid the risk of taking on too many projects. Table 2 suggests a way of separating a one-off task from a small project.

Table 2 One-off task or small project?

Aspect of work	One-off task	Small project
Resources	Just you to manage and do the work	You and others contribute to the work
Duration	Very short-term – less than a number of weeks as defined by the organization as appropriate for their business	Short-term – more than a number of weeks as defined by the organization as appropriate for their business
Costs and effort	Using internal staff only (often 'free' resources) and consuming very low effort	Working across two or more boundaries and incurring some costs
Scope	One main deliverable (product)	Multiple deliverables
Risks	Very low risk, if any. Failure a mild irritation	Low risk, modest changes, failure a local difficulty
Quality	Single review of work done and product delivered	Fit for purpose. Single discipline
Benefits	Often none, otherwise minor and intangible	Direct from the project and clearly defined. Single sponsor

If the work is a task then it will still be important for whoever is carrying it out to:

- Write a product description for the main deliverable
- Sketch out a brief plan of the work and when it will be fitted in with other roles
- Ensure there is someone to sign off the finished product.

4 Light-touch PRINCE2 framework

This section describes the principles, themes and processes applied to a small project. These are based on PRINCE2. They would form the basis of any further development of the light-touch approach.

4.1 Principles

A small project will be consistent with the principles of PRINCE2 in that it will:

- Be justified and remain so throughout its delivery
- Make use of lessons learned from previous experience and add learning to the organization once completed

- Be organized simply, with clear roles and responsibilities
- Be split into stages for planning and control purposes, although delivery may be a single stage
- Have defined tolerance levels and limits of authority
- Focus on the products and achieve the level of quality expected
- Use a light-touch, tailored version of PRINCE2 for efficient and effective project management.

4.2   Themes

A light-touch PRINCE2 framework will cover all of the themes in PRINCE2 to ensure the method retains its integrity, yet is tailored to suit the small project. Table 3 shows how the seven PRINCE2 themes will be tailored for small projects.

4.3   Processes

The PRINCE2 process model (Figure 1, page 7) shows a structured set of activities designed to accomplish a specific objective. Each process comprises inputs, outputs and activities.

There are seven processes in PRINCE2 comprising 40 activities, up to 12 baseline documents (or 'management products' as they are referred to), six records, up to eight reports, nine roles and many further activities described in each of the themes.

For larger projects the method still needs to be tailored, but for smaller projects there is a need to produce a light-touch version of PRINCE2 to improve accessibility and ease of use. As one manager of smaller projects observed, 'I will have finished the whole project by the time I have read through and tailored PRINCE2!' Figure 2 shows a simple process model for small projects.

It is anticipated that the model shown in Figure 2, if developed further, would require between 12 and 15 activities, fewer than 10 documents in total and two roles.

Sponsoring a Small Project

This process describes the role of the sponsor throughout the project. From the initial idea through to delivery this would describe the decisions and information needed.

Initiating a Small Project

This process combines and simplifies the PRINCE2 processes of Starting up and Initiating a Project.

Delivering a Small Project

This process combines and simplifies the PRINCE2 processes of Controlling a Stage and Managing Product Delivery.

Completing a Project

This process combines the PRINCE2 processes of Closing a Project with elements of Managing Stage Boundaries.

Table 3 Tailoring themes for small projects

| Theme	PRINCE2 purpose	Small project needs
Business Case	Establish mechanisms to judge whether the project is (and remains) desirable, viable and achievable as a means to support decision-making in its (continued) investment	A simple Business Case to explain why the project is needed and what the costs and benefits are. This will be tracked to make sure the project is still worth doing
Organization	Define and establish the project's structure of accountability and responsibilities	A Project Manager and a project sponsor with clear roles to explain who is doing what
Quality	Define and implement the means by which the project will create and verify products that are fit for purpose	A description of the quality standards to be used and an agreed process to make sure the products are fit for purpose
Plans	Facilitate communication and control by defining the means of delivering the products	A Project Plan showing products, timelines, resources, costs and assumptions to show when the project will deliver
Risk	Identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed	A Risk Register to help identify and then track the uncertain events, both threats and opportunities
Change	Identify, assess and control any potential and approved changes to baselines	The sponsor decides on any changes to the project
Progress	Establish mechanisms to monitor and compare actual achievements against those planned in order to provide a forecast for the project objectives, including its continued viability	An updated project plan and a Highlight Report to track progress. An Exception Report if tolerances are forecast to be exceeded to help the sponsor decide
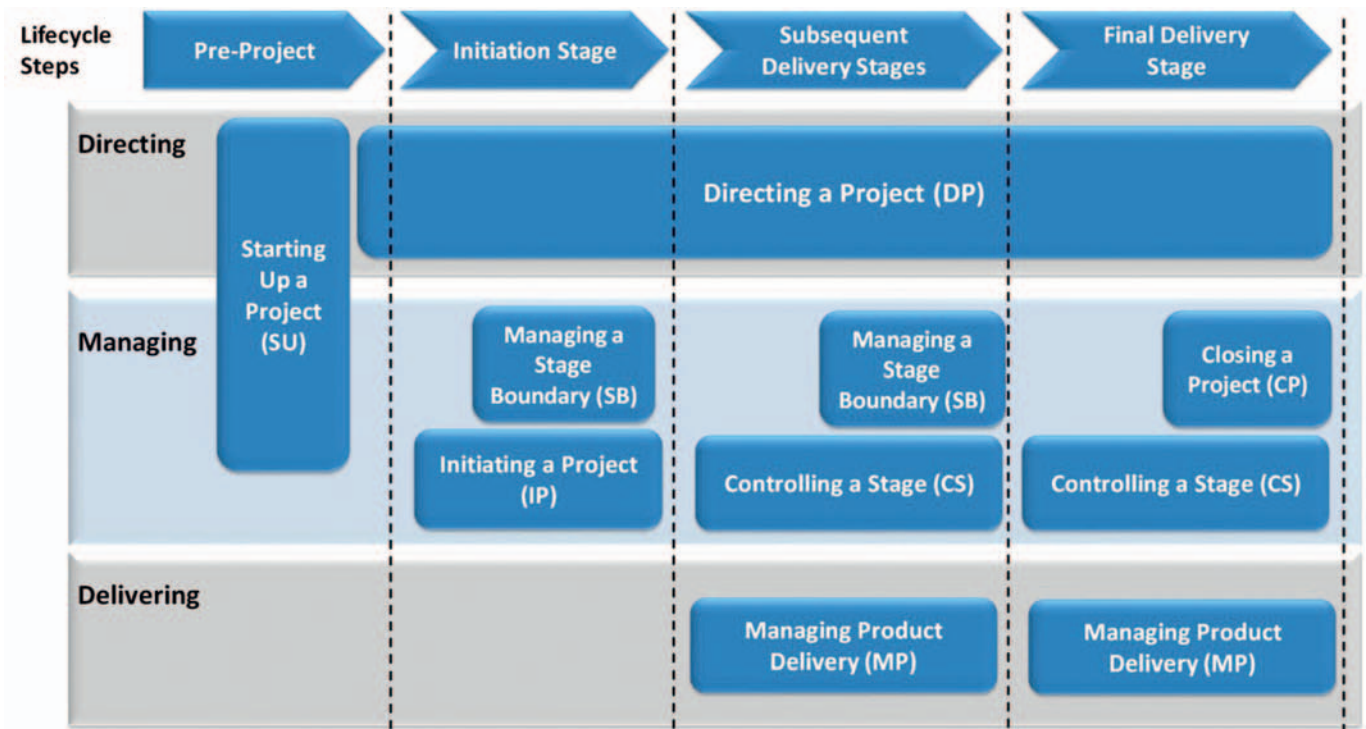
Figure 1 The PRINCE2 summary process diagram

Figure 2 Simple process model for small projects

4.4   The essential roles

There are two essential roles for any small project: the Project Manager and the project sponsor.

Project Manager

The Project Manager organizes, plans and controls the work of the project. As with PRINCE2, the Project Manager's prime responsibility is to ensure that the project produces the required products in accordance with the time, cost, quality, scope, risk and benefit performance goals. They deal with any risks, issues, and changes, and report progress to the sponsor.

Project sponsor

The project sponsor must represent the interests of the business, user and supplier and is accountable for the success of the project. They should have the authority to sponsor the project and be available to help the project succeed. They will assure themselves that the project remains healthy and will decide on all changes.

4.5   Links to programme and portfolio management

A light-touch project management approach would fit well with *Managing Successful Programmes* (MSP) and *Management of Portfolios* (MoP). Figure 3 shows how the approach fits with delivering tranches in MSP.
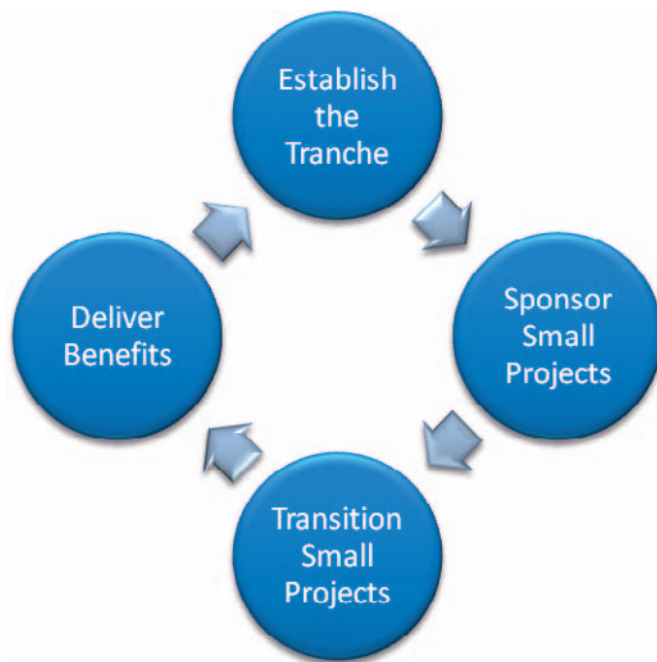

Figure 3 How managing small projects fits with delivering tranches in MSP

5   Benefits of a light-touch framework

This section describes the benefits that a light-touch approach to the management of small projects would offer to all sectors. It describes how such an approach could also be used to develop Project Managers as they enter the profession of project management.

5.1   Potential for accreditation and entry-level Project Manager development

While the Best Management Practice portfolio provides an excellent range of methods and qualifications for Programme and Project Managers, it does not currently include an entry-level qualification. The PRINCE2 Foundation tests the knowledge of PRINCE2 and this could be complemented by a more practical exam based on the light-touch PRINCE2 model. This would help to attract Project Managers early in their careers to the OGC Best Practice Toolkit and APMG qualification hierarchy.

The qualification should be seen as separate to the PRINCE2 Foundation exam, which requires full knowledge of the PRINCE2 method. Instead it is complementary to the set of

PRINCE2 qualifications. Delegates who have been successful in the light-touch PRINCE2 exam would be more likely to achieve exam success as they progress to full PRINCE2 exams.

The light-touch approach will provide less experienced Project Managers with a PRINCE2 aligned, entry-level solution to help manage their small projects. Such Project Managers will wish to progress to use full PRINCE2 for future, more complex projects.

A PRINCE2 aligned standard for small projects would provide a good addition and increase the global audience for Best Management Practice. Such a solution would help ensure that Project Managers are able to understand the advantages of using Best Management Practice from an early stage in their careers.

The guidance will provide all organizations with access to a proven, tailored project management framework for small projects without having to invest time and money developing vit themselves.

5.2   Adds to the public sector agenda for change

All public sector organizations are mandated to implement new policies in their local environments, whilst maintaining business as usual under increasing challenging budgetary pressures. Project Managers are usually part-time, with other duties to fulfil.

Centres of excellence have correctly focused on major programmes and projects. However, there are many more small projects and Work Packages not being managed with a PRINCE2-aligned framework. This solution addresses this gap in the marketplace, allowing centres of excellence to provide guidance to all Project Managers.

The policy is to increase capacity and capability of public sector project management staff. This solution, supported by an accredited exam, would further the achievement of this goal.

Professional Skills for Government Agenda – Project Management is a core competence within the agenda. An entry-level project management framework and exam would complete the programme and project management career framework for public sector staff.

5.3   Helps the private sector develop a competitive edge in project management

Small, private companies require a light-touch project management framework to run their projects. These organizations are keen to utilize best practice, but may lack the expertise or staff to tune PRINCE2 for their own organization. The solution will address this issue and will certainly help those companies selling services to public sector bodies.

Large private sector organizations have a wealth of small projects and Work Packages that are not managed using a consistent framework. PRINCE2 is appropriate for the major projects, but the light-touch PRINCE2 would be a useful tool for the management of small projects and Work Packages.

5.4   Helps the third sector to deliver more

Charities and voluntary organizations are often given grants to fund projects, and are required to demonstrate the use of a best practice approach to project management.

As such organizations typically have no formal experience of project management methods, this solution would allow them to utilize a PRINCE2 aligned project management framework quickly and easily.

5.5   Benefits of a light-touch version

A new method for small projects based on the established and proven PRINCE2 method would be a welcome addition to the Best Management Practice portfolio. The integrity of PRINCE2 would not be compromised and it is envisaged that this solution would provide potential PRINCE2 users with an entry-level solution to their small projects. The main benefits of such an approach for Project Managers include:

- Greater efficiency and effectiveness in the management of small projects
- Greater clarity over what constitutes a project, which will simplify project governance
- Improved success rates for small projects
- The method is applicable to all types of small project
- Tailoring will have been done, leaving practitioners more time to focus on the project they are managing
- Applying PRINCE2 concepts to small projects and tasks (such as Product Descriptions, Work Packages, registers and Checkpoint Reports) helps people make the transition into larger PRINCE2-managed projects using the rest of the method.

About the author

Chris Ferguson is co-founder and Chief Executive of Novare Consulting Limited. The company provides accredited and bespoke training, consulting in PPM and resources to deliver projects and programmes for clients. Chris was part of the original PRINCE2 Design Team in the mid-1990s and has helped many organizations to adopt and embed the method since then. A recurring challenge during this period for clients has been how to tailor PRINCE2 for small-scale projects, hence this White Paper. It has also led Novare Consulting to develop and offer a solution for all organizations looking for the structure and integrity of PRINCE2 but requiring a 'light touch' tailoring of the method. Chris is an accredited trainer in PRINCE2, MSP, Change Management, MoP and has recently delivered a series of Best Management Practice videos for TSO to explain the business benefits of the various Best Management Practice methods.

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