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## Using PRINCE2 to Start Up a Business

*By Richard Pharro*

Whenever we decide we want to do something, go somewhere, build something, achieve something, we need to know the answer to some questions. What are we trying to do? When will we start? What do we need? Can we do it alone, or do we need help? How long will it take? How much will it cost? These are typical questions asked at the start of any project. Anyone who has launched their own business will also have had to answer these - and more - questions.

The answers are the building blocks of project management - defining what we want to do and working out the best way to do it. But project management is commonly associated with large organisations running multiple complex projects. Until recently, it has not been associated with the SME (small & medium enterprise) sector. That is all changing, however, especially as more qualified project managers working in large organisations set up their own businesses using their project management skills.

After all, structured project management just means managing the project in a logical, organised way, following defined steps. Surely it could be applied in any situation, then, from re-organizing the garden shed, to launching your own business.

"A structured project management method is the written description of this logical, organised approach," says Colin Bentley, author of the PRINCE2 manual, the best known project management method. "It's perfectly suited to any kind of project, no matter how small. For example, I used a version of the method when I gave instructions to my gardener for tidying my garden in the winter. I asked my gardener if he was offended by my use of a written job spec, and his reply was that it made things very clear and avoided the complaints of 'Oh, I didn't want you to do that' or 'But why didn't you do this other task' that often came at the end of the work."

PRINCE, which stands for Projects in Controlled Environments, is a project management method covering the organisation, management and control of projects. It was first developed by the Central Computer and Telecommunications Agency (CCTA), which is now part of the Office of Government Commerce (OGC), in 1989 as a UK Government standard for IT project management.

Since its introduction, PRINCE has become widely used in the public and private sectors and is now the UK's de facto standard for project management. It was originally developed for the needs of IT projects, but

the latest version of the method, PRINCE2, is a generic, best practice approach for the management of all kinds of projects.

"There are already tens of thousands of people around the world who are fully qualified as PRINCE2 Practitioners. So extensive is its use and applicability that in the last 12 months over 29, 000 people have qualified as PRINCE2 Practitioners. Currently more than 1,300 people a week take a PRINCE2 exam," Colin says.

Increasingly many of these candidates are would-be entrepreneurs, who are taking the exam not to increase profitability for their employer, but to help themselves. This is the case for Ray Harris, who recently set up Techvue Distribution which specialises in innovative storage and wireless security solutions.

Ray comments, "I took the PRINCE2 training course and decided to go it alone and launch my business. I had contacts in the technology markets and felt sure I could use the methodology to help get my business up and running."

Ray says it took him much longer than he expected to draw up a list of tasks that needed to be done. "In actual fact the planning stage took about three months, but I was amazed at how much I had absorbed. It really helped me work out whether or not my ideas were viable."

"What is so invaluable about PRINCE2," he says, "is its ability to provide structure, which is crucial when you're starting out. It also gave me the confidence to talk to people who were prepared to fund my business. I was able to persuade them I was really serious about what I was doing. Understanding PRINCE2 is like having a management consultant in the room with you, giving you all the guidance you need."

Katie Gibson is employed by Derwent Shared Services, an IT service provider for the NHS in Derbyshire. Katie is another advocate for PRINCE2. She comments, "PRINCE2 is used by Derwent Shared Services and because I am a qualified Practitioner, I decided to adopt the methodology whilst managing my home business to maximise benefits realisation."

Katie has been an artist for ten years, using mainly acrylics on stretched canvas to create portraits, abstracts and compositions. Over the past two years she has been selling more work, and has developed a bespoke service which includes seeing the environment in which the piece is to be situated, gaining ideas from the client and creating a piece of work suited to both.

Katie decided it was time she invested in a web site to help raise market awareness. She created a project to commission the building of a website to improve the advertising, sales and payment methods for her works.

"The project covered the planning, design and building of the website," she says, "plus it monitored the proposed benefits against timescales and costs to ensure I didn't spend too much money."

She also wanted the project to cover the completion of the website, its go-live date and reviews after the project has ended.

"From my knowledge of PRINCE2 I knew that its methodology would offer me successful management of my project with a defined project close and without running over into the day-to-day running of my business," she says.

"I've benefited greatly from the use of PRINCE2 during this project as it's enabled me to deal with the issue of overspend on advertising costs and ensure I didn't end up with ongoing costs after the project finished. This would have detracted from the overall benefits of creating the website – a mistake I may have made had it not been for PRINCE2 helping me to manage the issue," Katie says.

Richard Pharro, who is managing director of APMG, the PRINCE2 examination body, comments, "As these case studies illustrate, project management can help every kind of business, not just the large ones. Anyone who needs help with organisation, timelines, setting tasks and performing assessment reviews would benefit from utilising PRINCE2." Training in PRINCE2 is available throughout the UK and the rest of the world as either short classroom based courses, or by distance learning. For further details visit APMG at [www.apmgroup.co.uk](http://www.apmgroup.co.uk).

(See Authors bio next page).



Richard Pharro



*Richard Pharro is Managing Director of the APM Group Limited, London, UK. In 1995 Richard conceived the idea of Accreditation and Certification associated with OGC's PRINCE2™. Since then PRINCE2 has become established as a project management method used throughout the world. APMG's partnership with OGC has since expanded to include MSP, M\_o\_R® and ITIL® accreditation and qualifications. APMG is now a global business providing accreditation and certification services via an international network of Accredited Consultancy and Training Organisations. Richard Pharro is a chartered Civil Engineer who has worked on projects in the Middle East and the UK, including several years with the London Docklands Development Corporation on the regeneration of East London. He established The APM Group Limited in partnership with the Association of Project Management (APM) in 1993. The Association disposed of their stake in The APM Group in April 2000. As the Vice Chairman of APM, Richard developed the Association's Certification Programme for experienced Project Managers and led the first International Certification Committee on behalf of the International Project Management Association (IPMA). He is a non executive Director of the Best Practice Users Group in the UK and a frequent speaker at conferences. His book, *The Relationship Manager – The Next Generation of Project Management*, was published by Gower in 2003. Further information about APMG can be found at [www.apmgroup.co.uk](http://www.apmgroup.co.uk), or by calling + 44 (0)1494 452450.*