



Case Study

Ericsson Services Ireland



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1. Introduction

1.1 PRINCE2

PRINCE2 is a Project Management method. It is a structured approach, which can be tailored for use on any type or size of project.

1.2 Purpose of the Case Study

This Case Study has been written in response to requests for examples of PRINCE2 implementation from organisations considering using the method. It describes the use of PRINCE2 at Ericsson Services Ireland in Dublin, in particular, The Customer Management Solutions Business Unit.

1.3 Ericsson Services Ireland (ESI)

Ericsson is a world-wide provider of telecommunications infrastructure.

Ericsson has been present in Ireland since 1957, when the first Ericsson exchange was installed in Limerick. LM Ericsson was incorporated as a wholly owned subsidiary in 1964 and today Ericsson Services Ireland employs over 2000 people.

Activities include responsibility for Ericsson's Public Telecommunications business in Ireland. Ericsson is a strategic supplier of fixed, mobile and data network and service solutions to Eircom, Eircell and other operators in the deregulated Irish market.

Software development activities include the supply of software for Ericsson's digital mobile systems and network management solutions.

In recent years local responsibility has expanded to include Business Communications Services on both switched and intelligent network platforms covering services to both fixed and mobile customers.

1.4 Acknowledgements

Thanks are due to Aidan Mullery who was the Senior Project Manager for the first implementation of PRINCE2 in ESI. He is currently project managing the development of Risk Management Software for convergent mobile and fixed telephone networks. Previously he managed software development projects internationally for a major software house.

1.5 Case Study format

This Case Study was written by Aidan Mullery and is his personal view based on his experience and observations. It starts with his reasoning on why a Project Management methodology should be used at all and considerations when selecting a suitable method. It goes on to describe the ESI business case for choosing PRINCE2, how it was tailored and implemented, lessons learned and benefits achieved. Section 8 contains observations on the Case Study by OGC, the owners of PRINCE2. More information on PRINCE2 appears in Sections 9 and 10

2. Why use a Project Management Methodology?

Aidan's observations for those wondering whether to use a Project Management methodology are:

"Development and implementation of a project methodology is not an easy task. It will be a costly venture. However it should be one of the cornerstones of an organisation's project success. The methodology should provide structure, not rigidity, and serve as a guiding set of company best practices and principles for managing projects.

But how can that step be made within an organisation and is it really worth the effort? This question has been asked in many organisations in the past. The following Case Study will go some way towards answering the question and provide an insight into the benefits and potential pitfalls.

Any project methodology needs to be introduced in a structured manner. The following questions were asked at the start of the investigation here:

- *How can a methodology be introduced in a successful way?*
- *What are the costs and benefits of such a venture?*
- *What methodology should be selected and who can help and assist if expertise is not available within the organisation?*
- *How will the methodology fit with the organisation itself?*
- *How can the change be managed within the organisation?*
- *Can this become a long-term goal and not just a short-term gain?*
- *How will project timelines and product quality be improved*

At the end of the day, for any business, the most important issue is usually 'the bottom line'. This was particularly relevant within Ericsson at a time of great change and turmoil in the industry.

In addition to the above it's important to be clear at the outset, what areas of project management an organisation is seeking to improve by introducing a best practice methodology. Areas include:

- *Managing the customer*
- *Manage the team - motivation, leadership, goal setting and conflict resolution*
- *Managing the project*
- *Manage the finance, budget and business case*
- *Manage the project risk*
- *The legal aspect of project management*
- *Health and safety*
- *Project assurance and Quality*
- *Programme management*
- *Procurement management*
- *Communications management*
- *Project time management*
- *Sub contract management*

There are many different types of projects and many different objectives which may or may not include the above. Nor may all of the above areas need improving. In fact, it would be a costly venture to incorporate all the project management best practice guidance especially if a company were relatively small or worked in a competitive business with very short timelines to market which would be hindered by a methodology which was cumbersome."

3. The ESI Business Case for PRINCE2

Within such a large company as Ericsson world-wide there are many different Project Management activities ongoing. There are thousands of products. There are also geographical, language, custom and many more issues to take into account. For this reason Ericsson had developed a variety of internal Project Management methodologies.

However, in general, they were designed to manage very large projects implementing complex telecommunications infrastructure for customers. This meant defined milestones and a rather inflexible approach, which was not easy to use with people outside the organisation. The problem for Ericsson Services Ireland, was that none of their existing methods fitted their type of projects, in particular, the iterative software development projects in the Customer Management Solutions Business Unit. The challenge was to find a methodology which could deliver and be flexible enough to cater for a variety of business software products.

The business case for the introduction of PRINCE2 into Ericsson Services Ireland was therefore:

- The old methodologies were too inflexible for the projects within the group.
- The old methodologies did not cater for dealing with sub-contractor management.
- The rigid milestones and rules did not deal with iterative and overlapping phases of a project
- Projects were being delayed by the rules imposed by the old methodology.
- Improving old methods was taking too much time away from core business activities
- Business decisions were being taken at inappropriate milestones

4. Implementing PRINCE2

Based on his experience of implementing PRINCE2, Aidan summaries the process and tasks as follows:

Investigation phase

- *Investigate the business and project type*
- *Outline the problems in project management within the business*
- *Benchmark current approach to project management – collect cost and quality metrics for the current projects - in our case some examples were number of man-days and number of software defects.*
- *Review project management methodologies available - we talked to colleagues in the organisation and searched the internet. As described above, internally we found a variety of in-house approaches, plus some PMI/PMBOK® and some PRINCE2. On the internet we found a number of commercial organisations offering a variety of products and services but only one method which was free to use and that was PRINCE2.*
- *Select the methodology that is the best fit for your business and projects – our conclusions were that the existing in-house approaches did not fit our type of software developments projects. PMBOK® refers to a guide which covers the 'project management body of knowledge' which is published by the Project Management Institute, Inc, (PMI®). As the name suggests it covers a broad range project management topics including, organising structures, risk, project lifecycles and project management skills such as conflict resolution, teamwork and communication. PRINCE2, while it does not cover the interpersonal skills aspects of project management, is a tailorable methodology which provides practical advice on how to run a project and as such it fitted our needs best. We are due to revisit PMBOK® soon to see what else we could learn about project management best practice.*
- *Present your business case and timelines to senior management and sponsor*

4. Implementing PRINCE2 (continued)

Implementation phase

- *Keep people up to date with what is going on – we have a weekly business unit management meeting to review all aspects of performance in the group so this was the appropriate forum for us to use. The standard reporting lines out of these meetings ensure others in the group are kept up to date.*
- *Secure project management training – we found ours through personal recommendation*
- *Select the first project on which to apply PRINCE2 – we chose our largest, most strategic project where there was the greatest need for effective project management and which would also be the best test of PRINCE2. This was not as risky as it might sound because PRINCE2 was a known concept.*
- *Assign project roles, re-organise and amend job descriptions as required – in our case we amended the Job Descriptions of those undertaking the roles Project Manager and Project Board roles. Also a Change Control Board was identified. The Job Descriptions were documented, agreed and signed-off. They were controlled under configuration management and kept under review.*
- *Use PRINCE2 on the first project but tailor it as required (see Section 5).*
- *Benchmark before, during and after the first project and act on findings.*
- *After the first project has closed complete interviews on best practice and drawbacks – in our case the lessons learned formed the basis of our local standards which were agreed and signed off by the Business Unit management. Responsibility for maintaining them and making sure they were used then passed to our Quality Manager.*
- *Ensure the local standard way of using PRINCE2 is implemented for other projects by documenting the method, preparing any standard templates and distributing the information.*
- *Have a project management knowledge base – in our case this is a ‘virtual’ web-based ‘project – office’ containing standard PRINCE2 templates which we use in conjunction with proprietary configuration management software to control our project documentation. Some organisations have a Project Office staffed by Project Managers and support staff.*
- *Remove old practices and methodologies not needed.*
- *Improve the new project management methodology by keeping it under review – in our case this is done both via the weekly group meetings and as part of the Quality Managers job.*
- *Be aware that as businesses change and reorganise there is a repeated need to get buy-in from new management hierarchies and to align the project management approach of different groups.*

5. Tailoring PRINCE2

PRINCE2 is designed to be tailored to fit local circumstances. When asked how PRINCE2 had been tailored in his Business Unit, Aidan said;

“Be aware of the benefits and weaknesses of project management methods available to you. It’s OK to compare the project management methodologies. No one methodology is likely to provide all the solutions to your project management problems. However PRINCE2 can be tailored to suit the needs of the organisation, and combined with other solutions.

We started by using the method in full. We set up templates for all of the PRINCE2 products such as the Project Initiation Document, Project Plan etc. We used as much as we could and monitored it’s usefulness at the weekly group meetings, comparing it with our old way of working.

We decided not to use Product Based Planning because our existing techniques using UML (see below) work well.

Also, we did ‘drop’ Team Plans, which are optional anyway, and Checkpoint Reports because we had other mechanisms. Otherwise we are using most of PRINCE2. We use all of the PRINCE2 processes. They give us a more formal approach and a structure to follow ‘in the right order’.

We had already been using some items which are in PRINCE2 such as Issue and Risk Logs so the concept wasn’t new but we took the opportunity to tidy up the different versions into one standard.

What works particularly well for us is the PRINCE2 Work Package as a way of ensuring people are clear what they are responsible for delivering. We use a lot of third party products and resources and the work package concept helps us manage the situation very effectively.

Our projects are software development projects and we therefore use specialist engineering tools such as UML Unified Modelling Language and RUP (Rational Unified Process™). We also assure software quality by using CMM (Capability Maturity Model). All of these contain advice about project management but we found they worked well with PRINCE2. PRINCE2 was superimposed on them without conflict or duplication.”

6. Lessons Learned

Aidan gives the following tips based on lessons learned when implementing PRINCE2:

Do not under estimate a project management methodology as a marketing tool.

More and more customers want to know what and how you manage their end product during the project lifecycle. This may be either your internal customer within the organisation or your external customer. Customers will also ask about the quality process within your organisation and you will need to demonstrate how this is incorporated in your project management procedures.

Get buy in from the relevant parties

There will be resistance to change so you want as many people on side as possible, in particular, senior people. You need to show them how PRINCE2 will help them achieve their own and the organisation's goals.

Prepare an implementation plan and budget

A plan for introducing PRINCE2 is a prerequisite. Implementing PRINCE2 must be planned out like any other project. The cost, the people involved, communication and project timeframe are all critical parts of your overall strategy which can all be tracked in a Project Plan.

The management of change will need to be addressed

People only do what they are comfortable with and are often averse to change. This needs to be recognised and managed.

Keep old practices as appropriate

You may need to keep some old practices in the new methodology. This happened in ESI because there were so many other groups interacting with us.

Reduce risk by learning from the knowledge and experience of others

When introducing PRINCE2 it's important to talk to the staff who will use PRINCE2, especially at a senior level and also the various project management bodies such as APMG and PRINCE2 web forums. They may identify some potential pitfalls. This can also be a cost-effective method to bridge any project management knowledge gaps. It is always important to find people that have been through a few large projects, as they will tell you where what went wrong in the past. In ESI we received advice within the organisation for example, Ericsson Sweden who operate a Project Office, and from an experienced external consultant who we acquired via a procurement procedure. We also review each project which uses the method and assess the benefits and weaknesses to improve our use of the method.

The first PRINCE2 project is very important

If the first project fails, PRINCE2 is unlikely to be accepted. We put our best people on it to ensure that the method was applied well and they could pass on their learning. It's important that all those involved are trained and know how to apply what is learned. Ideally, there will be at least one member of the project team with in-depth knowledge of PRINCE2 who can support the others and field questions as necessary.

Improve productivity with benchmarking

Generally PRINCE2 will only become acceptable when it is a proven concept i.e. having improved customer satisfaction or reduced costs. It is therefore important to have benchmarking metrics to compare and contrast the improvements. Measure productivity or customer satisfaction before and after each project. We measure cost, defects, man days and time to deliver. Indeed, the measurement process should be kept long after the first PRINCE2 project. We have a tracking system which keeps performance statistics of each project.

Get feedback

Continue to get feedback from all parties on the use of PRINCE2. PRINCE2 implementation needs to be sustained. The responsibility for this usually lies with a quality group, auditors or even the senior project managers to ensure the methodology lives long past its implementers and original sponsors.

PRINCE2 implementation is a long term goal

Once PRINCE2 is introduced the aim is to keep it available and ensure the benefits are realised. A virtual project office may be designed to serve as a data repository (as we have here). Or a Project Office may be set up. However not all organisations have the facilities and budget required. It may even be that the project managers prefer to be self-sufficient in which case it is particularly important that they are a qualified PRINCE2 Practitioners and are able to impart the knowledge to others.

Don't wait any longer

To anyone considering using project management methodology I would say, if there is a need to improve your project management, I would strongly recommend that you do agree a methodology and implement it soon. As a project manager I have had bad experiences where a structured process was not used and I have seen cases where work has been lost to competitors. In the present climate of rapid change and intense competition, the consequences to the business of poorly managed projects can be far reaching and if you don't do something soon you may run out of time.

7. Benefits

PRINCE2 is regarded as a good management tool for Ericsson Services Ireland. In particular, it has helped staff be more goal-orientated, controlled risk and improved customer satisfaction. There have been improvements in time-to-market, cost reduction and improved product quality. It has also clarified roles and responsibilities for staff, management and customers, in particular:

- Using qualified PRINCE2 Practitioners has reduced risk and improved customer relations.
- Software development project metrics (time, cost, quality) have improved.
- The methodology fits well with the software development quality process (Capability maturity model).
- The methodology fits with software development process and tools like RUP and UML.
- PRINCE2 fits well with other Project Management methodologies if required to do so.
- The Project Management activity has improved. In particular, Project Initiation is smoother and business decisions (including the possibility of stopping the project) are taken at appropriate points.
- It is recognised outside the company and helps win business.



Office of Government Commerce

This case study highlights the significance of embarking on internal change to improve Project Management practices whilst continuing to function effectively in a dynamic industry and marketplace. Piloting PRINCE2 on a major project with the best people available, benchmarking to assess and measure improvements, and establishing internal support mechanisms to assist staff are recognised ‘success factors’ for embedding new and improved working practices.

Ericsson has demonstrated many of the practical aspects of implementing a new Project Management approach, such as: wide consultations, critical review of what’s available, integrating new methods with existing standards, building a sustainable project management environment, and creating on-going improvement mechanisms.

This case study also highlights one of OGC’s current interest areas – the role of support offices. Ericsson is using a ‘virtual’ support office providing a repository of project tools and information. Other models include:

- Staffing the support office to provide internal expertise and guidance for new project teams.
- Using the support office as a development path for the professional development of project skills and competencies.
- Building a comprehensive business support function providing capabilities and support for both programme and project level, together with knowledge management and strategic progress reporting across the entire organisation.

The support office – however it is implemented – needs to be continually developed and improved in line with the development and improvement in project capability. The credibility and genuine ‘usefulness’ of the support office may be a valuable measure of the extent of buy-in and embedding of Ericsson’s improved Project Management standards.



PRINCE2 is a Project Management method covering the organisation and management of projects. It is designed to be tailored for use on any type of project.

Although PRINCE was originally developed for the needs of IT projects, the latest version, PRINCE2 which was released in October 1996, is a generic, best practice approach to meet the needs of the whole organisation.

It is widely used in both the public and private sector and is the de-facto standard for Project Management in the UK. PRINCE2 is increasingly being used in several countries outside the UK, including USA, Australia, New Zealand, The Netherlands, France, Italy, Hong Kong, South Africa, Croatia and Poland.

PRINCE2 is in the only public domain method and therefore free to use. It is unique in being an off-the-shelf, practical method, which is well supported by development, and training resources.

PRINCE2 was designed and developed by a group of Project Management specialists under contract to OGC (see below) and over 150 public and private sector organisations were involved in reviewing the quality of the method as it was produced.

PRINCE2 stands for Projects in Controlled Environments i.e. it shows how to set up a controlled environment in which to run a project well.

The UK Office of Government Commerce (OGC) owns PRINCE2. More information on PRINCE2 can be obtained by calling the OGC Service Desk on 0845 0004999 or by visiting their web site at www.ogc.gov.uk/PRINCE2. PRINCE2 is a registered trademark of OGC.

The Stationery Office is the official publisher of PRINCE2. They can be contacted on 0870 600 5522 or by visiting www.tsonline.co.uk.



In partnership with OGC, The APM Group Limited (APMG) provides PRINCE2 training Accreditation and an Examination scheme. They maintain a list of Accredited Training Organisations and Registered PRINCE2 Consultants.

We would like to thank Aidan for sharing his experiences as the project Champion for introducing PRINCE2 into Ericsson Services Ireland. He clearly demonstrates the flexibility of PRINCE2 by showing how Ericsson were able to introduce it whilst retaining many of their existing processes, undoubtedly contributing to the ready acceptance by those already working on projects.

He makes no bones about the difficulty of introducing a new methodology and the importance of top-level acceptance, appropriate training and professional support, as well as a lot of hard work by the implementation team.

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