

FES GmbH establishes a project management office with PRINCE2®

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1 Introduction

1.1 THE ORGANIZATION

FES Frankfurter Entsorgungs- und Service GmbH (FES GmbH) was established in 1996 from the City of Frankfurt's Office of Waste Management and City Cleaning. Since then it has developed into the leading full-service provider for waste disposal and cleaning in the Rhine-Main region.

Together with six subsidiaries and associated companies, the group has around 1,700 employees. The group offers a complete package of services related to the disposal and cleaning services in accordance with the legal provisions of the Recycling and Waste Management Act and the Commercial Waste Ordinance. In addition, the energy generated through the incineration of waste in the company-owned plant is converted into electricity and heating.

The company is a joint venture between public and private sectors: the Frankfurt am Main council which owns 51% of the share and REMONDIS AG & Co. KG, which owns 49%. For more information about FES GmbH visit <https://www.fes-frankfurt.de/>

1.2 SUMMARY OF THE PROJECT AND ITS OUTCOMES

FES GmbH created a project, "Establishment of a Project Management Office" (PMO) (Etablierung eines Projektmanagement Offices [PMO]) to professionalize all of its project management and project portfolio management. The project was successfully run using PRINCE2®, and completed in only eight months.

1.3 HIGHLIGHTS AND KEY ACHIEVEMENTS

The most important outcomes from the project:

- Creation of a project portfolio with strictly defined criteria for the prioritization of projects
- Embedding a uniform methodology and processes based on PRINCE2, tailored for the organization, for the execution of projects
- Creation of a community for project managers that can support the exchange across different departments

The project helped create the right organizational conditions to make these outcomes possible.

2 Background

2.1 WHAT WAS THE PROBLEM?

FES GmbH recognized that they had problems in delivering projects individually and as component parts of their overall project portfolio. The underlying problems were identified as:

- Lack of alignment between project goals and company strategies
- Unstructured distribution of project tasks without prioritization
- Lack of uniform project management methodology
- Non-transparent project communication
- No clear definition of roles in the project
- Lack of project control
- Lack of project management knowledge.

2.2 WHAT INSPIRED OR DROVE THE WORK/PROJECT?

FES GmbH recognized the need to optimize processes, work organization and work cycles, and to align them with new technologies. What we had was the technical qualifications and skills of our colleagues. But what was missing were defined standards and communication across departments.

2.3 WHAT WERE THE DRIVERS FOR CHANGE?

There were very clear indicators that the existing way of managing projects needed improvement. The IT department was overloaded with work and had a backlog of pending tasks. Projects were being dealt with on request without any real prioritization based on organizational strategy. The company management did not have an overview of the current projects and their status.

2.4 PROJECT ORGANIZATION

A project organization was created to ensure board level commitment and to bring in outside expertise, see Table 2.1.

Element	Members
Steering committee	<ul style="list-style-type: none"> ● B. Scheffler, CEO ● M. Welle, COO ● M. Weil, Head of Sales and Marketing
Project Management	<ul style="list-style-type: none"> ● L. Weber, Head of Project Management ● K. Gossen Project manager
Other members of the project team	<ul style="list-style-type: none"> ● J. Schmitz, Head of IT/Organisation ● P. Rabot, PA of company management
External project consultant	<ul style="list-style-type: none"> ● Oliver Buhr, COPARGO GmbH

Table 2.1 Project organization

3 Aims and objectives

3.1 PROJECT OUTPUTS

The project was set up to deliver three specific outputs that were designed to address the identified problems:

- Definition of a uniform, lean and specific methodology for the projects
- Establishment of a simple project portfolio management framework
- Establishment of a PMO as the organizational body to deal with the projects.

3.2 WHAT BENEFITS WAS THE ORGANIZATION TRYING TO REALIZE?

The justification for the project was based on these outputs enabling the delivery of benefits that would make the company more effective in delivering projects relevant to its strategic goals.

The expected benefits were:

- To get a complete overview of all current and pending projects through an established portfolio management method
- Provision of data that allows comparable criteria for improved management decision-making
- Better alignment of projects with the company goals by taking them into account during the setting up of the projects
- Better integrated projects through identified interfaces
- More efficient utilization of resources for projects through increased transparency
- More efficient and consistent project management based on common guidelines
- Better implementation of projects through compliancy with PMO processes and guidelines
- Happier project customers (internal and external) through consistent alignment with their requirements
- Higher employee satisfaction by avoiding emergency interventions
- Improved planning and higher commitment.

4 Approach

4.1 SPECIFICATION OF REQUIREMENTS

Initially we were not given any specifications from the managers. These have been established during the setting up phase.

4.2 PLANNING PROCESS

At the beginning of the project we organized two introductory workshops which were moderated by an external consultant. During these workshops the project team and the management of FES GmbH jointly defined the goals and purposes of the project. The workshops were followed by a planning workshop with the project team. We decided to follow a product based planning methodology, as suggested by PRINCE2. At this stage we defined a set of project products and the links and dependencies between them. From this we derived the project plan that was then divided into different phases.

Project phase products	Start date	End date	Number of work- hours (internal)	Costs in € (without internal personnel costs)
Total project	27.03.2014	06.03.2015	1,182	27,750
Project initiation phase	27.03.2014	26.06.2014	256	7,900
Project controls				
Document archiving				
Project product				
Project plan				
Risk register				
Project description				
First communication initiative				
Elevator pitch				
Conceptual phase	26.06.2014	03.09.2014	296	8,800
PMO concept				
Project guidelines				
Portfolio concept				
Trained project team				
Training and actioning	03.09.2014	17.12.2014	480	9,050
Well-staffed PMO				
Briefing management and PM training				7,900
Actual progress of projects				
Toolbox				1,150
Documentation platform				
Test & Establishment	17.12.2014	06.03.2015	150	2,000

Table 4.1 continues on next page

Project phase	Start date	End date	Number of work-hours (internal)	Costs in € (without internal personnel costs)
Project products tested by users				
PM-Community				
Projects prioritization criteria				
Project portfolio FES & PAB* session				

* PAB is the Project Advisory Board for the PMO. The PAB consists of the six highest ranking managers of FES and decides about ranking the projects. The board gets information about the current projects

Table 4.1 Project phases

4.3 PROJECT DELIVERY

We chose PRINCE2 for the project because we already had some PRINCE2 expertise and had consulted other companies in Frankfurt who recommended it to us.

The method was adapted to the company needs and to the project specifications, and was significantly simplified by avoiding documentation that was not needed by the project. We had already implemented a tailored version of PRINCE2 and wanted this project to deliver an adaptation that could be widely used for future project work in the company.

4.3.1 Project description, including business case, as project baseline

At the beginning of the project we created a project description with a business case in which we described the most important project factors agreed by all parties involved. During the project we constantly checked if the criteria defined in the project description could still be fulfilled.

4.3.2 Project plan, including costs planning, based on product based planning

Monitoring of the project was done through a simple Excel spreadsheet in which we recorded what was planned and the actual status. This way everyone in the team had an overview of the planned and actual phases, the products and the resulting time, cost and resource plan.

4.3.3 Continuous risk and stakeholder engagement

During the full project we always kept an eye on the risks and found risk assessment easy to do. We ran numerous workshops with the internal stakeholders (project managers) during which the results were subjected to critical examination. In this way everybody's requirements were considered and any required fine-tuning was carried out.

4.3.4 Acquisition and monitoring of open issues in the issue register

We documented all open issues in a shared Excel list. Every member of the project could add issues to the list which would then be discussed during the team meetings. Urgent issues were escalated to the management team. The list of open issues allowed an active control of changes in the project.

4.3.5 Weekly team meetings

It was agreed with the steering committee that the project members would be available for at least one day a week to work on the project. The project team met every Friday in a room that was available to the team for the full duration of the project. During the weekly meeting we would discuss what everybody was working on as well as the open issues and problems.

4.3.6 Monthly status report to the steering committee

A short written status report was given to the steering committee once a month to show the actual status of the project.

4.3.7 End of phase report

At the end of each project phase we would have a steering committee session during which we presented the results of the project phase, discussed the status of the project and the detail of the plan for the subsequent phase. This ensured that the steering committee was always completely informed about the progress of the project.

4.3.8 Lessons learned workshop

We held a workshop at the end of the project to discuss the lessons learned which was moderated by the external consultant. We collected the experiences gained from the project and elaborated on them. The results of the lessons learned workshop were recorded in a lessons learned report which is available to all FES employees. Through this analysis of the experience we gained further knowledge.

4.3.9 End of project

At the end of the project the full results were collected in a project completion report. A benefit review plan was prepared in which we defined how and when we could evaluate if the expected benefits from the project were realized. The first benefit review was done 3 months after project completion and the second one after six months. These results were then made available to the steering committee.

5 Conclusion

5.1 CHALLENGES

We were worried that the processes defined during the project would not be followed. Actually this did not happen and everybody complied with the processes, as we explain in the details of the benefits section. The biggest challenge in the project was to inspire the employees concerned about the changes in the project management approach.

5.2 WHAT WAS THE BIGGEST SUCCESS FACTOR?

A major contribution to the success of the project was the strong belief within the team that the changes introduced in the project were urgently needed. This gave the whole project team a strong commitment to the new way of working.

5.3 WHO HAS BENEFITTED FROM THE PROJECT?

Three groups of people have directly benefited from the project:

- The management, who now always have a plan of the actual project portfolio and the status of each project is always visible.
- The project managers, who now give each other advice, support and constantly exchange experiences
- IT has clear priorities for their projects.

5.4 WHAT WAS ACHIEVED?

The project has set up a strong framework for making project portfolio management in FES GmbH much more effective. It has created:

- A well-staffed and established PMO
- A project portfolio management process agreed by FES GmbH
- Project guidelines based on PRINCE2, but tailored to the specific needs of the company, together with a set of project management tools

- PMO training for FES employees
- Project priority criteria defined by the steering committee
- An established and active project management community.

5.5 BENEFITS ALREADY REALIZED

As a result of putting these elements in place, FES GmbH has already seen improvements in the way it manages its projects. Notably, the following benefits are being realized:

- Transparency of the project landscape
- Better integrated projects through identified interfaces
- Better use of resources for the projects
- Improved understanding of critical topics in projects (for example benefits, risks and communication)
- Cross-sector transfer of knowledge
- Better grounds for decision-making.

5.6 LESSONS LEARNED

The experience of running the project provided some additional benefits to the company's project portfolio management in the form of the lessons captured at the end. These can be taken forward for future projects to learn from:

- Find time and space for the team
- Systematic project management has a positive impact on the project success
- Consider the external consultants as partners and utilize the external resources efficiently
- Build a good team relationship:
 - start team-building at the project kick-off
 - address informally
 - make sure the team roles are clearly defined
 - encourage diversity.
- Involve people who will work with the project outputs from the start of the project
- Be open and honest and communicate early, especially about project marketing, activity structures and in case of failure
- Keep the parties involved informed from start to end
- Consider how the outputs will be implemented in the company and if any solutions need to be tailored for specific users
- Consider also the impact of the project results on the company culture.

5.7 FUTURE PLANS

The project has delivered the outputs as planned and the company is already realizing the benefits but we are looking for continued improvement. Areas to address are:

- Increase project management professionalism through training and active management of the PM community
- Make sure all parties involved know about and feedback the benefits
- Further optimization of the project portfolio processes.

5.8 AXELOS VIEW

The FES GmbH experience in adapting PRINCE2 for its project management approach and as the means to building its PMO highlights the strength and flexibility of the method. The study has shown the benefits of introducing PRINCE2 principles and processes to a team who were already well-motivated and technically highly competent in their work. It has given FES GmbH the ability to get better information to improve their project portfolio prioritization and delivery.

6 About the authors



Jochen Schmitz is the Head of IT at FES Frankfurter Entsorgungs- und Service GmbH. He has many years' experience of project management and running a PMO, and is qualified in PRINCE2, Six Sigma and change management.



Katharina Gossen was Head of PMO at FES Frankfurter Entsorgungs- und Service GmbH. Together with her graduation as a Master of Science in Business Administration and Engineering she has collected many years' experience of project management and establishing and running a PMO. She is now sharing her experiences as a PMO Consultant for BridgingIT Consulting, Frankfurt, with new customers. She is qualified in PRINCE2 and agile project management.

7 About AXELOS

AXELOS is a joint venture company, created by the Cabinet Office on behalf of Her Majesty's Government (HMG) in the United Kingdom and Capita plc to run the Global Best Practice portfolio. It boasts an already enviable track record and an unmatched portfolio of products, including ITIL®, PRINCE2® and RESILIA™. RESILIA is the new Cyber Resilience Best Practice portfolio.

Used in the private, public and voluntary sectors in more than 180 countries worldwide, the Global Best Practice products have long been associated with achievement, heightened standards and truly measurable improved quality.

AXELOS has an ambitious programme of investment for developing innovative solutions and stimulating the growth of a vibrant, open international ecosystem of training, consultancy and examination organizations. Developments to the portfolio also include the launch of PRINCE2 Agile®, the ITIL Practitioner qualification and a professional development pro-gramme for practitioners, fully aligned with AXELOS Global Best Practice.

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