

**CASE STUDY**

Bank of Uganda

› **ADOPTING AND  
IMPLEMENTING  
PRINCE2<sup>®</sup>**

# 1. INTRODUCTION

Bank of Uganda (BoU) is the Central Bank of the Republic of Uganda. The primary purpose of the bank is to foster price stability and a sound financial system. Together, with other institutions, it also plays a pivotal role as a centre of excellence in upholding macroeconomic stability. The bank has a five-year strategic plan that drives all operations at the institution to ensure that its vision and mission are achieved. The strategic plan has a number of objectives and many initiatives. Some initiatives are projects through which change is introduced.

In 2014, BoU adopted the PRINCE2 method and, measures such as annual training and instituting a Project Management Office (PMO) have been put in place to ensure that PRINCE2 is embedded in all of the projects in the bank.

This case study is about the bank's journey in adopting and implementing PRINCE2. It gives an overview of how the implementation was done, what was done, the challenges, benefits, and progress. PRINCE2 was adopted to be used by all projects in the bank. Rather than going into the details of discussing each project, the case study will provide an overview of the implementation.

## 2. CONTEXT

Prior to the implementation of PRINCE2, the bank faced challenges in the execution of its projects with regard to completion on time, within cost, and of high quality. The challenges with project implementation were on account of the lack of a formal project management method. The various business units were managing projects using a combination of methods and, for some, no method at all. Moreover, there was no dedicated office to ensure compliance and support good project management. These projects led to problems such as missed delivery dates, cost overruns, and dissatisfied users/customers. Therefore, the need for a better project management practice was essential.

A project audit was conducted in December 2013 for the funded projects. The audit was based on the six aspects of project performance: cost, time, scope, quality, risk, and benefits. From the overall ratings for each project, it was revealed that out of the 27 projects, only three were rated satisfactory, 10 were rated average and 14 were rated weak. Few of the projects were applying PRINCE2.

The lack of consistency with regard to a project management method revealed a need to establish a designated authority with the responsibility for project management. The responsibility of the project manager would be to provide support from initiation to delivery of projects. In order to address this need, the Project Management Office (PMO) was approved by the Board of Directors of the bank.

## 3. AIMS AND OBJECTIVES

It was important to establish expected long-term and short-term goals for implementing PRINCE2.

### **The short-term goals included:**

- › Establishment of the Project Management Office (PMO) to support business units in managing their projects using PRINCE2
- › Embark on training all project teams in PRINCE2 so that they are knowledgeable about the method

### **The long-term goals included:**

- › Developing and ensuring the project management guidelines are implemented
- › Providing and maintaining appropriate project management tools and best practice reference point
- › Facilitating project management teams in adapting PRINCE2 principles
- › Summarizing lessons learned in project management to improve future projects
- › Providing help to incorporate change management activities
- › Co-ordinating projects' post-implementation reviews
- › Maintaining a central filing system for all projects. This will ensure that people within the team have access to the development of the projects at any time
- › Providing historical reference for future projects and audit purposes

## 4. THE PMO

It was vital to have a functional PMO to facilitate the implementation of PRINCE2. A facilitating model of the PMO was adopted to provide technical support to business units with the management of bank projects in line with PRINCE2 method.

The PMO is involved in the planning, monitoring, advising, and supporting all projects approved in the bank. It supports all project managers to ensure they manage their projects using PRINCE2. The PMO has institutionalized stages in the project cycle that have to be followed by all projects. The following sections describe these stages.

### 4.1 PROJECT SELECTION AND PRIORITIZATION STAGE

During this stage, the PMO must check each of the following key milestones for every project:

#### › **Approved business cases**

The user departments prepare their ideas/concepts into business cases, which are submitted to senior management for clearance and approval.

#### › **Approved project briefs**

Once the business cases are approved, the departments begin to prepare the project briefs that form a basis for the project before it proceeds into the initiation stage. The project briefs go through the selection and prioritization criteria.

#### › **Approved project list by the Board of Directors**

This is a list of approved projects by the board to be funded for that financial year.

### 4.2 INITIATION STAGE

During this stage, the PMO must check each of the following key milestones for every project:

#### › **Approved project initiation documents (PIDs)**

The PIDs for the approved project are prepared, with detailed planning, scoping, milestone setting, project team structures, with all components that make up the PID. Once the PID is signed off by the executive, the projects go into implementation.

### 4.3 IMPLEMENTATION STAGE

During this stage, the PMO must check each of the following key milestones for every project:

#### › **Various milestones applicable per project**

For monitoring purposes, the milestones for all the projects (both new and running) are consolidated in the milestone tracking tool for effective monitoring. In addition, all projects produce highlight reports so that all project board members and other stakeholders are kept informed on what is happening on the projects.

#### › **Project board minutes**

Throughout the project implementation stage, the project boards meet to make decisions, which are documented in the minutes.

### 4.4 CLOSURE STAGE

During this stage, the PMO must check each of the following key milestones for every project:

#### › **Signed end project reports**

After the projects complete their last deliverable, end project reports are prepared and signed off to confirm that projects have completed and that the projects have been handed over back to the users.

#### › **Closed project files handed over to the PMO as a central repository for all closed projects. This is for future reference.**

## 5. CHALLENGES

We faced a number of challenges when trying to adopt PRINCE2 within the organization. The biggest challenge was to deal with the cultural changes as the bank had not previously used any type of project management method. This is still a work in progress with all staff.

Another challenge was scheduling and ensuring that the PRINCE2 budget was available and adequate to fund activities associated with adoption of this project management method. To deal with this, the knowledge area of Project Management was identified and incorporated in the Bank of Uganda's Strategic Plan 2017-2022 as one of the key disciplines necessary to achieve the corporate strategy. Therefore, it is now being funded from the strategic budget.

Additionally, we also faced the challenge of ensuring that the organization complied to the agreed project documentation. To overcome this, the PMO developed templates for all the project documents that we use and are stored on the intranet so that they are easily accessible for all members of staff. Consequently, the project managers do not have to develop documents from scratch. This has greatly improved the quality and management of documentation. These documents include (but are not limited to) the following:

- › Business cases
- › Project briefs
- › Project initiation documents
- › Highlight reports
- › Project plans
- › End project reports

These management products all serve a different purpose but are necessary in managing a PRINCE2 project and maintaining quality.

The project managers (PMs) were not only working as PMs, they are also expected to carry out business as usual (BAU) activities outside of the project. As a result, project activities are sometimes delayed. For complex projects, full-time project managers are deployed.

## 6. ACHIEVEMENTS

PRINCE2 is officially the only project management method that is being applied in the bank across 25 projects, and we have made great improvements since adopting this as best practice. We have also been able to tailor PRINCE2 according to the organization's values and objectives. We have identified the following successes:

- › All projects have the necessary documentation.
- › 80% of the project managers have been trained and are now PRINCE2 practitioners.
- › Project board meetings are conducted at least every quarter for every project and the minutes are taken. This has improved the project board member control over the projects.
- › 80% of the project board members are PRINCE2 qualified (foundation level). This has enabled them to take on their role of directing the project better.
- › The project teams now appreciate the role of the PMO and more willing to seek guidance and consultation with the PMO staff.
- › Risk and issue management have improved greatly.
- › All closed project files are handed over to the PMO at the end of the project. Therefore, the central closed project repository is now functional.

Although these are great successes, we acknowledge that this is continuous and a work in progress.

Most of the project managers have the PRINCE2 manual on their desks and can always refer to it during work and this has contributed to the success of these projects. The project boards also have the PRINCE2 handbooks for quick reference. The availability of information to the project teams is a key success factor because they can refer to the guidance all the time when implementing their projects.



## 7. LESSONS LEARNED

One of the main lessons learned was to involve senior management on change management. Taking a closer look at the lessons learned, we became aware of the following:

- › There is need to have full buy-in from senior management to ensure that the change that is needed is funded and supported from the top.
- › Efficiency from project managers can be best achieved when the PMs are working on a full-time basis on the project and not part time balancing project work with BAU activities.
- › Continuous awareness must be conducted by the PMOs to the PMTs to facilitate compliance and enable continuous improvement.

## 8. FUTURE PLANS

- › Expand the PMO to ensure it has enough staff and authority to better support the teams.
- › Automating some of the processes, like having Online Risk and Issue Registers, that can easily be monitored.
- › Acquiring an Enterprise Resource Platform to enable us to monitor the projects in real time. This system can capture all projects information and automatically generate dashboard reports against which decisions can be based.

## 9. CONCLUSION

Now three years into operation, the PMO is up and running and we have achieved a lot during this time. There has been positive feedback (especially from senior management) about the importance of having a streamlined method of project management. Annually, the team members have the opportunity to become PRINCE2 practitioners. This contributes to the collaborative culture within the organization. All projects in the bank now have risk and issue registers, which are regularly updated and maintained. This has greatly improved the risk and issue management approach across all projects, enabling the projects to succeed. Also, the projects have a signed PID and approved project boards (by the corporate management), which is carried out during the initiation stage.

The PMO is responsible for sharing lessons learned. We have used the 'learning from experience' principle to identify the lessons learned.

We have noticed that project managers should work full-time during a project to maximize efficiency without balancing their BAU activities. We have also identified how important it is for senior management to be fully involved (financially) to ensure that any required changes are funded and supported.

Lastly, PMOs should ensure that the project management teams prioritize facilitating compliance and enabling continuous improvement. Therefore, projects in the future are more likely to be successful.



## 10. ABOUT THE AUTHOR

### ESTHER GONZA

Esther has 12 years of experience in programme and project management (covering quality management, risk and issue management, change management, and benefits realization management). Esther is an accredited PRINCE2 Practitioner and Trainer and P3O certified.



Currently consulting at the Bank of Uganda supporting the Project Management Office, championing the project management practices across all projects in the bank. Esther has previously worked as the Head of Programme Management Office at the United Nations. Esther has also trained and offered consultancy services in project management to a number of big organizations including (but not limited to) the following: United Nations, Tullow Oil Uganda, Uganda Electricity Transmission Company Limited (UETCL), Tanzania Airports Authority (TAA) and Uganda Civil Aviation Authority (UCAA).

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