



CASE STUDY

Ichiban LLC

› ADAPTATION OF A RESIDENTIAL UNIT



1. INTRODUCTION

Ichiban LLC is a real estate consultancy that was established in 2019. Its main activities are purchasing and selling real estate and providing investment counselling in Montenegro.

Recently, one of Ichiban LLC's clients asked for advice on selling his apartment, which was large with a magnificent sea view. At the time, market conditions were unfavourable; there was low demand for large apartments. Ichiban LLC advised him to divide the existing apartment into two smaller apartments, which would leverage the market conditions and give the client the most value. The client agreed to the plan, and Ichiban LLC took on the project.

"Ichiban LLC chose a traditional approach that used tailored PRINCE2 principles, themes, and processes."

Tamara Bijelic, Founder of Ichiban LLC

2. AIMS AND OBJECTIVES

Ichiban LLC aimed to help the client to maximize the value of his apartment and to give him some flexibility around when he could sell. The proposal also benefited the company, as it was hired to manage the project and sell the apartments at its conclusion. The project, if successful, would also improve Ichiban LLC's reputation and lead to many new opportunities.



The proposal had several other benefits:

- › Regional market experience suggested that owning two apartments is fiscally advantageous because the price per square metre is typically higher for smaller units.
- › If the apartments were to not sell, the owner could still accrue money from rent. Generally, two units bring in more money than one because occupancy rates are higher.
- › At the end of the project, the owner could sell one unit and either rent the other or use it himself. Similarly, a new owner could live in one unit and rent the other, thereby saving on property management costs.
- › If rented, two door-to-door apartments reduce the costs of the property management company because of the economy of scale.

3. APPROACH

The client did not give Ichiban LLC any specifications or requirements to follow, so Ichiban LLC chose a traditional approach that used tailored PRINCE2 principles, themes, and processes.

The planning process started with an introductory workshop attended by all parties involved in the project. During the workshop, the project and team managers jointly defined the project's purpose and goals. The project was divided into two stages: one was related to the completion of the smaller apartment and the other to the completion of the larger apartment. The second stage also represented the end of the project. The project had to be completed within three months. A key milestone was the end of stage one, the completion of the smaller apartment, for which the timescale was 30 days.

"During the project, the team continually checked the desirability, viability, and achievability of those factors to ensure that the project remained justifiable."

Tamara Bijelic, Founder of Ichiban LLC



At the beginning of the project, Tamara Bijelic, Ichiban LLC's founder, created a simple business case that described the project's most important factors, which had been agreed by the stakeholders. During the project, the team continually checked the desirability, viability, and achievability of those factors to ensure that the project remained justifiable.

The project was monitored through a simple spreadsheet in which the team recorded and compared the project's planned status against its actual status. As the project progressed, the team also monitored ongoing and emerging risks, which helped them to remain within their budget. They also recorded urgent issues so that they could be escalated to and discussed with the relevant team members. The team had compulsory weekly meetings (in person or online), supplemented by ad hoc communication.

At the end of stage one, the team discussed the project's status, including the progress, lessons learned, and opportunities for improvement. They also planned the next stage. Later, during the closing a project process, they collected the project's results.

4. CHALLENGES

This was the first time Ichiban LLC had tailored PRINCE2 for a project and there were concerns that, first, the method would not be applied properly, and second, that the processes defined during the project would not be followed. The biggest challenge Tamara had was inspiring the team to use the new approach.

The team was told that the project would use PRINCE2 and, during the introductory workshop, there was a short presentation about PRINCE2 and its principles, themes, and processes. Everyone received small explanatory booklets, which included tables and figures with brief explanations. Because the method was not compulsory, there was not too much pressure. However, some team members were still reluctant to accept change. This challenge was partly overcome with better communication and guidance.

Tamara said: "To enhance the next project's efficiency, I will learn more about PRINCE2 and motivate more team members to adopt the new approach."

5. SUCCESSES

The project was finished successfully, which Tamara attributes to rigorously sticking to the budget and timelines. It was a big project, but detailed planning and risk awareness made it easier. Clear roles and responsibilities, enhanced communication, and additional motivation were also very helpful in difficult periods.

The client was very satisfied with the project's outcome. There has been interest from potential buyers who liked the layout and location of the new units, and turning one used unit into two modern units increased the net selling/renting price. Because of the increase in the value of his property, the refurbishment came at no cost to the owner. In the end, he decided to rent the apartments to tourists while he looked for buyers.

"Some team members were reluctant to accept change, but the challenge was overcome with better communications and guidance. In the end, the project was finished successfully."

Tamara Bijelic, Founder of Ichiban LLC

6. LESSONS LEARNED

Ichiban LLC learned several lessons from this project, which they will use to inform their future projects. These lessons include:

- › Systematic project management has a positive impact on projects and makes success more likely.
- › A tailored approach allows the project to be flexible as well as organized.
- › Wisely chosen team members increase productivity and efficiency.
- › Smooth communication enables quick troubleshooting.

7. CONCLUSION

For Ichiban LLC, implementing PRINCE2 resulted in the successful and efficient completion of the project and realization of benefits.

The project produced the following outcomes:

- › increased awareness of the importance of a well-structured framework that can be tailored and applied to future projects
- › greater efficiency in day-to-day tasks
- › better use of project resources.

All of this facilitated the accomplishment of the project's aim, which was to increase the value of the property while providing several options for the owner. Converting one big unit into two smaller units has added value and enabled the owner to rent for a period, instead of selling immediately, without damaging his finances.

"The project delivered the outputs as planned, but I want to continually improve our project management, starting with myself and the people I work with. Our project management can be optimized through training and active involvement in future projects."

Tamara Bijelic, Founder of Ichiban LLC



8. ABOUT THE AUTHOR

TAMARA BIJELIC

Tamara Bijelic is the founder of Ichiban LLC, a consultant company in Montenegro. Before she was self-employed, Tamara worked on projects for OeNB, Bundesbank, and Deloitte. She has a master's degree in International Trade and Finance, and she is a qualified PRINCE2 Practitioner. She is interested in becoming more experienced with implementing PRINCE2 and generally improving her knowledge of the PRINCE2 method, so she is excited to work on new projects.

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