

GE: PRINCE2 Pre Course Reading

Pre-course reading material purpose

This Pre-Reading material has been designed to provide you with a background to PRINCE2 and its terminology. It provides some information of the background of the project management methodology PRINCE2, how it was created, when, why and what the status is now. Please ensure you are familiar with this information prior to attending the course. If you spend time preparing for the course you will get the most out of the training event

Study Instructions for Foundation Program Objective

The objective of this Foundation pre-course study is to provide the participant with a first insight in the PRINCE2 methodology and its background and to be familiar with the structure and content of **"Managing Successful Projects with PRINCE2"** in order to be prepared for the PRINCE2 Foundation examination

Study Instructions for Practitioner Program Objective

The objective of this Practitioner pre-course study is to provide the participant with a review of the knowledge acquired during the PRINCE2 Foundation training course in preparation for the Practitioner event and to get acquainted with the content of **"Managing Successful Projects with PRINCE2"** and to acquire further knowledge of the elements of the Methodology in order to be prepared for the PRINCE2 Practitioner course leading to the OTE Practitioner Examination

PRINCE2® Qualifications

Foundation Examination The purpose of the foundation qualification is to confirm you have sufficient knowledge and understanding of the PRINCE2 method to be able to work effectively with, or as a member of, a project management team working within an environment supporting PRINCE2. The foundation qualification is also a pre-requisite for the practitioner qualification.

- Multiple choice format
- 75 questions per paper
- 5 questions to be trial and not counted in scores
- 35 marks required (out of 70 available) to pass - 50%
- Closed book.

Practitioner Examination The purpose of the practitioner qualification is to confirm you have achieved sufficient understanding of how to apply and tailor PRINCE2 in a scenario situation.

- Objective testing
- 8 questions - 10 question items per question, each worth one mark
- 44 marks or more required to pass (out of 80 available) - 55%
- Two-and-a-half hours (150 minutes) duration, no additional reading time
- Open book exam (official PRINCE2 manual only).

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Re-Registration Examination All PRINCE2 Practitioners should be re-registered within 3-5 calendar years of their original certification.

PRINCE2 Professional The PRINCE2 Professional qualification is the next step for PRINCE2 Practitioners looking to further demonstrate their expertise in the PRINCE2 method. This level will test your ability to manage a non-complex PRINCE2 project across all aspects of the project lifecycle.

- 2 ½ day residential Assessment Centre
- Group activities and exercises
- Based on a fictional project case study
- Assessment is against 19 individual performance criteria (there is no written examination).

An Overview of PRINCE2®

PRINCE2® is a process-based approach for project management providing an easily tailored and scalable method for the management of all types of projects. This structured project management method is based on experience drawn from thousands of projects – and from the contributions of countless project sponsors, Project Managers, project teams, academics, trainers and consultants. PRINCE2® is the de-facto standard for project management in the UK and is practiced worldwide.

Background

The PRINCE® (**PR**ojects **IN** **C**ontrolled **E**nvironments) project management methodology was developed in 1989 by the CCTA (Central Computer and Telecommunications Agency) as the UK Government's standard for IT project management. Its successor, PRINCE2®, was released in 1996 in response to a demand for improved guidance on general project management, not just information systems projects. The most current revision, PRINCE2® 2009, was released in mid 2009 by the UK Office of Government Commerce (OGC) now renamed and known as HM Cabinet Office. The current course and examination(s) are based on this latest revision.

Introducing PRINCE2®

PRINCE2® is a non-proprietary method and has emerged worldwide as one of the most widely accepted methods for managing projects. This is largely due to the fact that PRINCE2® is truly generic. It can be applied to any project regardless of project scale, type, organization, geography or culture. PRINCE2® achieves this by isolating the management aspects of project work from the specialist contributions, such as design, construction, etc. The specialist aspects of any type of project are easily integrated with the PRINCE2® method and, used alongside PRINCE2®, provide a secure overall framework for the project work. Because PRINCE2® is generic and based on proven principles, organizations adopting the method as a standard can substantially improve their organizational capability and maturity across multiple areas of business activity – business change, construction, IT, mergers and acquisitions, research, product development and so on.

What makes projects different?

PRINCE2® defines a project as follows:

“A project is a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case” There are a number of characteristics of project work that distinguishes it from business as usual. They include:

- **Change**
- **Temporary**
- **Cross-functional**
- **Unique**
- **Uncertainty**

Why do we have a Project Management method?

It is the development of the project's deliverables (known as Products in PRINCE2®) that deliver the project's results. The purpose of project management is to keep control over the specialist work required to create the project's products. Given that projects are the means by which we introduce business change, and that project work entails a higher degree of risk than other business activity, it follows that implementing a secure, consistent, well-proven approach to project management is a valuable business investment.

The role of a Project Manager

In order to achieve control over anything, there must be a plan. It is the Project Manager who plans the sequence of activities, determines the resources required and so on. Being a manager implies that some or all of the work will be delegated to others. The ability to delegate is important in any form of management but particularly so (because of the cross-functionality and risks) in project management. With the delegated work under way, the aim is that it should 'go according to plan', but we cannot rely on this always being the case. It is the Project Manager's responsibility to monitor how well the work in progress matches the plan. If work does not go according to plan, the Project Manager has to do something about it, i.e. exert control.

Even if the work is going well, the Project Manager may spot an opportunity to speed it up or reduce costs.

Whether it is by taking corrective action or implementing measures to improve performance, the aim of PRINCE2® is to make the right information available at the right time to the right people to make the right decisions.

The SIX variables of a Project

Costs – The project has to be affordable and, though we may start out with a particular budget in mind, there will be many factors which can lead to overspending and, perhaps, some opportunities to cut costs.

Timescales – Allied to this, and probably the next most-frequent question asked of a Project Manager, is: “When will it be finished?”

Quality – Finishing on time and within budget is not much consolation if the result of the project doesn't work. In PRINCE2® terms, the project's products must be fit for purpose.

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Scope – Exactly what will the project deliver? Without knowing it, the various parties involved in a project can very often be talking at cross-purposes about this. On large-scale projects scope definition is much more subtle and complex. There must be agreement on the project's scope and the Project Manager needs to have a detailed understanding of what is and what is not within the scope. The Project Manager should take care not to deliver beyond the scope as this is a common source of delays, overspends and uncontrolled change ("scope creep").

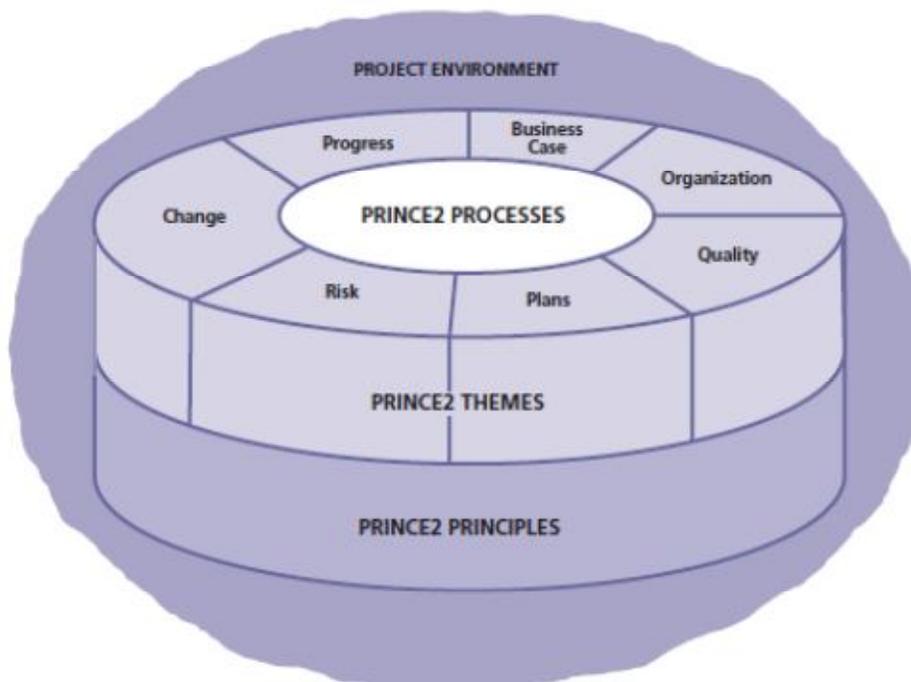
Risk – All projects entail risks but exactly how much risk are we prepared to accept? If we decide to go ahead, is there something we can do about the risk?

Benefits – Perhaps most often overlooked is the question, "Why are we doing this?" The Project Manager must have a clear understanding of the purpose of the project as an investment and make sure that what the project delivers is consistent with achieving the desired return.

PRINCE2® is an integrated framework of processes and themes that address the planning, delegation, monitoring and control of all these six aspects of project performance.

The structure of PRINCE2®

The PRINCE2® method addresses project management with four integrated elements of principles, themes, processes and the project environment.



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The PRINCE2® Principles:

These are the guiding obligations and good practices which determine whether the project is genuinely being managed using PRINCE2®. There are seven Principles and unless all of them are applied, it is not a PRINCE2® project. The seven PRINCE2® Principles can be summarized as follows:

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- Continued Business Justification
- Learn from Experience
- Defined Roles and Responsibilities
- Manage By Stages
- Manage By Exception
- Focus on Products
- Tailor to Suit the Environment

The PRINCE2® Themes:

These describe aspects of project management that must be addressed continually and in parallel throughout the project. The seven themes explain the specific treatment required by PRINCE2® for various project disciplines and why they are necessary. The seven Themes are as follows:

- Business Case
- Organization
- Quality
- Plans
- Risk
- Change
- Progress

THEME: Business Case

To ensure continued investment a project must remain justified, the Business Case management product should demonstrate that the project is desirable, achievable and viable. The outline Business Case is developed in the process starting up a Project, and then refined in Initiating a Project. The Business Case is reviewed at each stage boundary. The project's benefits are reviewed according to the Benefits Review Plan both during and after the project.

The Business Case presents information used to judge whether the project is (and remains) desirable, achievable and viable, and therefore worthwhile investing in. Since this viability question is ongoing, the Business Case is reviewed and updated regularly to ensure investment is allocated to the best projects, it is important to ascertain

- The benefits to be gained (and when)
- The degree of risk
- The level of investment required.

Projects should be evaluated on how well they will contribute to corporate objectives. Such analysis enables one project to be compared with another so that the organization can choose to invest in the best set of projects

Outputs, outcomes and benefits

- An **output** is any of the project's specialist products (whether tangible or intangible).
- An **outcome** is the result of the change derived from using the outputs.
- A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders. The link from the project's outputs to outcomes

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and benefits should be clearly identified and made visible to those involved, otherwise the original purpose of the project can get lost

Example of output, outcome and benefits

Output: New sales system

Outcome: Sales orders are processed more quickly and accurately

Benefits: Costs are reduced by 10%, volume of sales orders increased by 15% and revenue increased by 10% annually.

Continued Business Justification

It is a PRINCE2 principle that **a project must have continued business justification**. This business justification is the reason for the project and is documented in the Business Case. There is continuous approval of the project's Business Case by the Project Board by asking: Is the project:

- **Desirable** – is there a balance between benefit, cost and risk?
- **Achievable** – can the project's products provide the benefits?
- **Viable** – can the project deliver the outputs?

The Senior User:

Is held to account by corporate or program management for realization of benefits

- Ensures that the desired outcome of the project is specified
- Ensures that the products deliver the desired outcomes
- Ensures that the expected benefits are realised
- Provides actual versus forecast benefits statements

In PRINCE2, the Business Case is:

- **Developed** at the beginning of the project,
- **Maintained** throughout the life of the project,
- **Verified** by the Project Board at each key decision point and
- **Confirmed** throughout the period that the benefits accrue

THEME: Organization

The roles and responsibilities defined in the project make up the organizational structure, and are created in Starting up a Project. Role descriptions, not job descriptions are defined to enable flexibility in the number of individuals required to fulfil a role. The roles include the Project Board as the decision making authority tasked with directing the project and looking after the three interests of the project: Business (Executive), User (Senior User) and Supplier (Senior Supplier). Those on the Project Board have the option to delegate some of their responsibilities to other roles: Project Assurance to evaluate performance and products and Change Authority, to authorize requests for change or off-specifications. The role tasked with managing the project is the Project Manager, who must manage the project on a day-to-day basis using the Stage Plan as the baseline for progress control. The Team Manager delivers the products and may or may not have been appointed as a separate person(s), if not then the delivery work falls to the Project Manager.

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An effective project organization structure should result in effective direction, management, control and communication. Each project should have a Communication Management Strategy to cater for different stakeholders. The project management team should appoint individuals to management team roles, detailing these in job descriptions that define accountability and clear responsibilities for directing, managing and delivering the project. The project management team should:

- Have Business, User & Supplier representation
- Ensure the roles are reviewed for their continuing effectiveness
- Ensure a strategy to communicate to stakeholders

Project

A temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case

Program

A temporary flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. A program is likely to have a life that spans several years.

Corporate organization

Corporate organization structures can vary from traditional functional structures, organized by type of work, eg, marketing, finance etc, to project-focused corporate organizations that normally work with project teams

Roles and job descriptions

A role description is the set of responsibilities specific to a role. PRINCE2 defines roles, not management jobs. Roles might be shared between multiple job descriptions or combined to be put into one job description according to the project's needs. Role descriptions specify the responsibilities, goals, and limits of authority, relationships, skills, knowledge and experience required

The Project Board comprises of those roles that hold the accountability and responsibility for the project's success; they direct the project and must:

- Authority
- Credibility
- Ability to delegate
- Availability

The project is recognized to have the following four levels of management:

- Corporate/program management
- Directing
- Managing
- Delivering

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The upper level instigates the project, whereas the lower three levels direct, manage and deliver the project. The levels within the project are represented by the Project Board, Project Manager and Team Manager respectively

THEME: Quality

The project is expected to deliver products which are in turn expected to meet a certain level of quality. There are two main aspects of quality: planning and control. As part of planning, quality for the project is described in the customer's quality expectations and defined the acceptance criteria. The quality standards that must be met are outlined in the quality management strategy which is created in Initiating a Project and the quality for each product is specified in the Product Descriptions. Controlling the quality of the products means implementing a quality method and allocating quality responsibilities, tracked formally in the Quality Register.

The project's products must meet business expectations to deliver the desired benefits. PRINCE2 focuses on products when approaching quality. To do this there needs to be an explicit and common understanding of:

- the scope: what products the project will create
- the quality: the criteria against which the products will be assessed

Without this understanding, major issues concerning acceptance (such as disputes, rework, uncontrolled change and user dissatisfaction) could weaken the Business Case. In addition, costs and timescales cannot be estimated unless the quality criteria for the products and the corresponding quality management activities have been established. Quality methods must also be considered alongside responsibilities for managing the project. Implementing continuous improvement during the project can be achieved primarily through the application of lessons learned

Key definitions and terms of Quality

Quality:

In PRINCE2 the measure of quality is a product's ability to meet its requirements. A product can be a product, person, process, service and/or system. In the context of PRINCE2, a product's requirements are stated in the Product Description.

Scope

There are three levels of plan in PRINCE2: Project, Stage and Team Plan. The scope of a plan is the sum total of its products, as defined by the Product Breakdown Structure for the plan. These products are defined in Product Descriptions.

Quality management

The coordinated activities to direct and control an organization with regard to quality

Quality management system

The complete set of quality standards, procedures and responsibilities for a site or organization. Note: "site" and "organization" are the permanent or semi-permanent entities sponsoring the project work "external" to the project's temporary organization, e.g., a program is a semi-permanent organization that sponsors projects.

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Quality planning

Defining of quality criteria, quality methods and quality responsibilities required for each product.

Quality control

Operational techniques and efforts used to fulfill the requirements for quality, e.g., quality inspections or testing, and to identify ways of eliminating unsatisfactory performance, e.g., applying lessons learned.

Quality assurance

Independently checking that the organization and processes are in place for quality planning and control, ie, not actually performing the quality planning or control, which will be undertaken by the project management team.

- **Quality Planning & Quality Control:** Quality planning establishes **what level of control** will ensure products are fit for purpose. When quality planning is complete and work gets under way, quality control involves **implementing** and **tracking** the quality methods defined
- **Quality assurance is not the Project Assurance:** Independent of the project management team, **quality assurance** provides a check that the project's direction and management are adequate and that it complies with relevant corporate or program management standards and policies. **Project Assurance** refers specifically to the Project Board's accountability for assuring that the project is conducted properly in all respects
- **Appraisal – approval – acceptance of products:**
 - **"In-process" quality methods:** Quality can be "built into" the products as they are developed, e.g., piloting exercises, workshops, surveys and consultation during the course of development.
 - **Appraisal quality methods:** The means by which the finished products are assessed for completeness and fitness for purpose.
 - **Acceptance:** It describes the ultimate approval of the project's product. Acceptance is usually required from more than one set of stakeholders

THEME: Plans

There are three levels of plans, which match the three levels of management. These are project, stage and team. Project and Stage Plans are replaced with an Exception Plan when requested by the Project Board. The approach to plans follows steps that use product based planning as a core aspect of constructing the plan, for this reason product descriptions, product breakdown structures and product flow diagrams need to be created, in addition to identifying activities, estimates and a schedule.

Plans provide control and information about what is required to be produced when, by whom and how. They include information about the resources required and indicate if the targets are achievable. Approved plans are used as a baseline to measure progress. The Project Board measures the Project Manager's progress by referring to the approved Project Plan. The Project Manager measures the Team Manager's progress using the Stage Plan.

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No plan is perfect - it is likely to be updated and reviewed - but the act of planning helps the project management team to "mentally rehearse" the project. This helps to identify omissions, duplications and risks

A Plan Is

A plan is a document describing how, when and by whom a specific target or set of targets is to be achieved, and confirming that these targets are achievable, eg, products, timescales, costs, quality and benefits. Plans must be synchronized with the Business Case, and have approval from relevant levels of management

Plan	Created by	Approved by	Derived from
Project Plan	Project Manager	Project Board	Project Brief Project Product Description Strategies
Stage Plan	Project Manager	Project Board	Stage Plan Strategies
Team Plan (optional)	Team Manager	Project Manager (Optional)	Stage Plan Work Package
Benefits Review Plan	Project Manager	Project Board	Project Plan Stage Plan Business Case

Planning is

Planning involves both the creation and maintenance of a plan and is often used to describe the formal procedures of creating documents and diagrams. The PRINCE2 planning procedure is a product-based approach. Planning is essential to the success of a project, and should be done regardless of whether the project is small or large

- Ongoing & Iterative Planning: It is usually not desirable, or even possible, to plan an entire project in detail at the start. Plans are generally produced at different levels of scope and detail throughout the project, and adjusted as necessary
- Seven steps of Planning: The seven steps in the planning procedure include design the plan, define & analyze products, identify activities & dependencies, prepare estimates, prepare the schedule, analyze the risks, and document the plan
- Three levels of Plans: There are three levels of plans in PRINCE2.
 - The **Project Plan** covers the delivery of the major products, activities and resources required for the project.

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- **Stage Plans** describe the work to be done at a level of detail that allows the Project Manager to control the project on a day-to-day basis.
- **Team Plans** are optional, their need and number depends on the size and complexity of the project, and are used to plan the work of one or more Work Packages

Product based planning:

As the planning procedure is carried out, the following management products are produced: Project Product Description, product breakdown structure, Product Descriptions and product flow diagram. These tools ensure that projects are planned with a **focus on products**.

THEME: Risk

Risks include both opportunities and threats, with associated responses that affect either the impact or likelihood of the risk. The approach the project takes to risk, including prioritization and severity scales, is documented in the Risk Management Strategy created in Initiating a Project. Any risk management procedure is expected to follow the steps a) identify the context and the risk, b) assess the impact and evaluate the risk, c) plan the response, d) implement it all while e) communicating with relevant stakeholders.

Risk is

A risk is an uncertain event or set of events that, should it materialize, will have an impact on the achievement of objectives. A risk consists of the probability of occurrence and the magnitude of impact on objectives and can be classified as either:

- **Opportunity** with a favorable impact.
- **Threat** with an unfavorable impact

Risk management is

Risk management is the consistent application of the following tasks:

- **Identifying** risk that could affect the achievement of the project's objectives and how they should be managed.
- **Assessing** risk in terms of estimated probability, impact and proximity, while understanding the overall level of risk associated with the project relative to the level that is acceptable.
- **Controlling** risk including identifying appropriate responses to risks, assigning risk owners and then executing, monitoring and controlling these responses

Risk Register: Risks should be **captured by the Project Manager** but can be **raised by anyone**

Risks v/s Issues: **Uncertainty** is the predominant difference between risks and issues. A risk has not materialized and is uncertain to materialize, whereas an issue has materialized or is certain to materialize

Risk Management Procedure: The risk management procedure is defined in the Risk Management Strategy, to ensure risks are identified, assessed and controlled. The first four steps

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are sequential with the 'communicate' step running in parallel. It is often necessary to revisit earlier steps

Opportunity: An opportunity is the **potential for a favorable impact** on the project's objectives. Responses to opportunities attempt to either increase the probability of the opportunity materializing or increase the impact of the opportunity should it materialize

Threat: A threat is the **potential for an unfavorable impact** on the project's objectives. Responses to threats attempt to either decrease the probability of the threat materializing or decrease the impact of the threat should it materialize

THEME: Change

This includes dealing with issues that could change baselines and configuration management of products. The procedures to implement change and configuration management are found in the Configuration Management Strategy. Each issue is dealt with as either a Request for Change, off specification or problem/concern.

Change in PRINCE2 is about two things: issue control and configuration management. Issue control deals with the identification, assessment and control of issues that may result in change. Configuration management includes all the activities concerned with the creation, maintenance and controlled change of a configuration item. Issue and change control procedures need to be integrated with the configuration management system used by the project

Change control is

The aim of issue and change control is not to prevent changes; it is to ensure that every change is identified, assessed and either approved, rejected or deferred. Change can only be considered in relation to established baselines, which are determined by version control issued by the configuration management system.

Configuration management is

Configuration management controls each configuration item, eg, a component of a product, a product or a set of products that form a release. A release is a complete and consistent set of products that are managed, tested and deployed as a single entity.

Issue is

Any relevant event that has happened, was not planned, and requires management action. It can be a concern, query, and request for change, suggestion or off-specification raised during a project. Project issues can be about anything to do with the project. Issues may be raised at any time during the project, by anyone.

Five steps in Change control: The procedure is to **capture** the issue, **examine** it, **propose** options to deal with the issue, **decide** what solution should be implemented and **implement** that solution

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Five steps of Configuration management: These can vary by project but typically comprise of five core steps: **planning** the level of control, **identification** of the configuration items, **controlling** by approving and baselining products, **status accounting** through creating a Product Status Account and **verification & audit** to compare records

Types of Issues

Types of issue	Definition	Example
Request for change	A proposal for a change to a baseline.	The user would like the car to be green not red.
Off-specification	Something that should be provided by the project, but is currently (or forecast) not to be provided	There are only 10 telephones available to be delivered – not 15 as requested
Problem/concern	Any other issue that the Project Manager needs to resolve or escalate.	A team member has been taken ill and as a result the target end date for a Work Package will slip by a week.

THEME: Progress

Progress is about comparing what has happened with what was hoped would happen. The Project Plan and Stage Plan are used as the baseline of what was hoped would happen, and the current reports and registers are used to measure the current situation. Tolerances are used to implement management by exception so escalations are made when necessary, allowing work to be done without micromanagement. The levels of authority define who assesses what progress at what level. The levels are corporate or program management, Project Board (who measure project progress using the Project Plan and Highlight Reports), Project Manager (who measures team progress using the Stage Plan and Checkpoint Reports) and Team Manager

Progress is the measure of the achievement of the objectives of a plan. It can be monitored at Work Package, stage and project level

Progress is the measure of efforts to date relative to a **baseline** plan; **tolerances** are the deviation boundaries from that baseline that are permissible. These mechanisms enable all levels of management the ability to monitor, through **reports**, and control the project. Progress also provides the mechanisms to ensure decision-making are **authorized** and appropriate. Progress **reviews** provide a time driven regular mechanism to feed into progress **reporting**. The mechanism to then escalate any threats to tolerances is also provided as **exception** management. **Tolerances** set the boundaries for which each level of management in the project has discretion to exercise beyond the **baseline** without the need to refer up to the next level for approval

Progress Controls are:

- Monitor progress
- Compare level of achievement with that which was planned
- Review plans and options against future scenarios
- Detect problems and identify risks
- Initiate corrective action
- Authorize further work

Management Stages:

Management stages are a collection of activities and products managed as a unit by the Project Manager, on behalf of the Project Board. They provide **management decision points** at which the Project Board assesses whether to continue with the project.

Technical stages are those preferred by supplier management as they are aligned with technical work practices.

Progress review:

Progress is reviewed on a regular basis compared to the **baseline version** of the plan or work to be done. The Project Board reviews the project progress using the Project Plan baseline, the Project Manager reviews the day-to-day work using the Stage Plan baseline

Tolerances:

Tolerances are the deviations above and below a plan's targets that are permissible without escalating the deviation to the next level of management. An exception is the situation where it can be forecast that there will be a deviation beyond these tolerances. The six tolerances are: **time, cost, scope, risk, quality and benefit**

Progress report:

Progress of the project is reported by the Project Manager through Highlight Reports; the Team Manager reports on Work Package progress through Checkpoint Reports

Lessons from the progress:

Reviewing project progress often leads to the identification of lessons learned. When the project's actual state is compared to its planned state, as occurs in the progress theme, lessons are often identified and recorded in the Lessons Log. A Lessons Report may be created at the end of each stage when reviewing progress

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The PRINCE2® Processes:

These describe a step-wise progression through the project lifecycle (shown below), from getting started to project closure. Each Process provides checklists of recommended activities, products and related responsibilities. The seven Processes are:

- Starting up a Project
- Directing a Project
- Initiating a Project
- Controlling a Stage
- Managing Product Delivery
- Managing a Stage Boundary
- Closing a Project

PROCESS: Starting up a Project

Corporate or program management appoint the Executive and Project Manager, who then work together to create the Project Brief and Initiation Stage Plan. This work is done prior to the project starting; hence it is called pre project preparation. The customer's quality expectations, the Project Product Description and the acceptance criteria all of which may be modified further but should be sufficient to justify commitment of further resources by the appointed Project Board in the process directing a Project.

The Starting up a Project process is triggered by the Project Mandate, following which corporate or program management usually appoints the Executive and Project Manager to create the Project Brief and initiation stage plan.

The level of effort required for Starting up a Project varies enormously depending on

- The context of the project, e.g., links to a program (which should therefore provide the Project Brief and make Project Board appointments)
- The trigger or mandate for the project, e.g., a supplier being issued with a Request for Proposal.

In all cases once the Daily Log is created in the activity appoint the Executive and the Project Manager, risks and issues should be logged for entry later into the registers.

Starting up a Project is about filtering the bad projects from the good and preparing the good projects for the initiation stage.

Process is triggered by: The project mandate comes from corporate or program management

Process Deliverables: The Project Brief includes outline Business Case, Project Product Description, project approach, project management team structure and role descriptions, and a definition of the project. The Initiation Stage Plan outlines the work to be completed in the initiation stage.

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Process Activities:

- Appoint the Executive and the Project Manager
- Capture previous lessons
- Design and appoint the project management team
- Prepare the outline Business Case
- Select the project approach and assemble the Project Brief
- Plan the initiation stage

Starting up a Project is a short process that should vet the suitability of the project for initiation while preparing it in the event that it is started. It answers the questions: Should we bother starting the project? What information do we need to suitably prepare for the planning work?

PROCESS: Directing a Project

This is the work performed by the Project Board who directs the Project Manager. Their first activity is to authorize initiation meaning that they commit resources to plan for the project. For every stage (including the initiation stage) the stage plan is approved, as are any exception plans where tolerances are threatened and a new plan is requested. The project is authorized after initiation, based on the Business Case justifying the project as desirable, achievable and viable. The final activity by the Project Board is approving the closure of the project, performed after the last stage.

The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project. It is the process that enables the Project Board to manage by exception, through decision points whereby it controls continuation of the work

Project Board Responsibilities:

During their tenure Project Board members are expected to be:

- Monitoring progress
- Communicating with corporate or programme management
- Ensuring unified direction and guidance to the Project Manager
- Ensuring a continued business justification
- Providing informal advice and guidance

Decision Making:

The Project Board direct the project by making key decisions such as approving commitment to start the project, and setting a baseline for which to measure progress. Each stage should be approved and the project then should then be closed. Ad hoc decisions should be made as requested by the Project Manager

Escalations:

Should stage or project tolerances be threatened then an Exception Report should be raised by the Project Manager to the Project Board, followed with the review by the Project Board of an Exception Plan if requested

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Projects are controlled in PRINCE2: the first control is the activity authorizing initiation, where the project is started and finally at the end in authorize project closure

PROCESS: Initiating a Project

Once initiation is authorized by the Project Board the Project Manager creates the management strategies of the project: quality, risk, configuration and communication. These describe how corporate or program management standards will be applied in the project, the formality of their application, tailoring and relevant procedures to be followed. Using the strategies the project is planned, controls are specified, and the Business Case is refined. All management products are assembled to constitute the Project Initiation Documentation required to justify the commitment of resources for the project and provide the baseline for the Project Board to measure the project's progress. The next stage is planned using managing a Stage Boundary and authorization for both the project and stage is sought from the Project Board.

Once initiation is approved by the Project Board the Project Manager begins the process Initiating a Project to create the Project Initiation Documentation (PID).

Four Strategies of Project:

These are the first four documents to be produced in the Initiating a Project process. They define any relevant procedures and measurements that will be used to deliver on risk, quality configuration or communication management

Ultimate Deliverable:

The Project Initiation Documentation defines the project and is the basis for its management and the assessment of success. It gives the direction and scope of the project and (along with the Stage Plan) forms the "contract" between the Project Manager and the Project Board

Project Activities:

- Prepare the Risk Management Strategy
- Prepare the Configuration Management Strategy
- Prepare the Quality Management Strategy
- Prepare the Communication Management Strategy
- Set up the project controls
- Create the Project Plan
- Refine the Business Case
- Assemble the Project Initiation Documentation

The outline Business Case created in Starting up a Project is added to with estimated costs (of development, implementation and incremental ongoing operations and maintenance costs) and time to deliver against the anticipated benefits to be gained

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PROCESS: Controlling a Stage

This is where the Project Manager focuses attentions once approval from the Project Board has been given to commence the stage. This process is about two main things: dealing with issues and driving the work performed by the Team Manager(s). Issues and risks are captured, then analyzed, if within tolerances corrective action is taken, if not they are escalated. Monitoring the stage status ensures that any threats to tolerances are forecast rather than realized. Work to be performed by the Team Managers is authorized, reviewed and received through Work Packages, which contain the required Product Descriptions.

The process controlling a Stage covers the work that the Project Manager does during the stage, namely managing the Work Packages (requests to Team Managers to do work), managing issues and reporting to the Project Board

Stage Review:

Review stage status: this is the activity that is the eye of the storm, where the Project Manager surveys the current state of the stage and project, reviewing major issues and risks and watching out for threats to tolerances

Work Package:

Controlling a Stage drives Managing Product Delivery; this is the interface between the Project Manager and the Team Manager

Issues:

Anyone can raise issues - these are either requests for change, off-specifications or concerns/problems. The issues are assessed as part of the issue and change control procedure defined in the Configuration Management Plan

Reports:

The activity report highlights includes regular communication with the Project Board, as defined in the Communication Management Strategy. The Highlight Report is made up of information from the Team Manager's Checkpoint Reports, which are provided at a frequency defined in each Work Package

PROCESS: Managing Product Delivery

This is the work performed by Team Managers if there are Team Managers on the project. It involves accepting, executing and delivering a Work Package, may not use PRINCE2 and although managed by the Project Manager it may not be overseen by the Project Manager.

This process is the interface between the Team Manager, who delivers the work, and the Project Manager, who controls the start of that work. The work to be done is documented in a Work Package, authorized by the Project Manager and completed by the Team Manager. While the Project Manager undertakes the process controlling a Stage the Team Manager undertakes the process Managing Product Delivery

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Controlling a Stage drives Managing Product Delivery; this is the interface between the Project Manager and the Team Manager

A Work Package is a request for work to be done by the Project Manager. The Team Manager uses it as the base to create the Team Plan

PROCESS: Managing a Stage Boundary

Each stage, other than the initiation stage, requires a Stage Plan to be planned by the Project Manager in Managing a Stage Boundary. Within a stage boundary the previous stage is reviewed and the next stage is planned. The Business Case and Project Plan are updated. If the Project or Stage Plan is in exception then the plan to be created is called an Exception Plan, replacing the stage in exception from the point of the exception to the original plan's completion.

A stage boundary is an opportunity to correct a project that might be misaligned to the program or benefits. The Project Board has the choice at the end of Managing a Stage Boundary to:

- Terminate the project
- Re-plan the work, or
- Approve the stage to continue.

When dealing with threats to tolerances the Project Board may request an Exception Plan to replace the Stage or Project Plan

Tolerances:

If tolerances are threatened or have been breached then usually (following an Exception Report) the Project Board will request an Exception Plan be created to get the project back on track.

Process Deliverable:

If the stage is coming to an end and it is not the last stage then managing a Stage Boundary is invoked to prepare for the next stage and evaluate the current stage

Process Activities:

- Plan the next stage or
- Produce an Exception Plan
- Update the Project Plan
- Update the Business Case
- Report stage end

PROCESS: Closing a Project

Once the project is either closed prematurely by a request from the Project Board or closed as planned the Project Manager hands over any remaining products, the project is evaluated and it is recommended for closure. The Project Board activity following this process is authorizing project closure.

The purpose of the Closing a Project process is to provide a fixed point at which acceptance for the project's product is confirmed. It is to recognize that either:

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- Objectives set out in the original (or revised) Project Initiation Documentation have been achieved, or
- The project has nothing more to contribute.

One of the defining features of a PRINCE2 project is that it is finite – it has a start and an end. A clear end to a project means that the original objectives have been met and it is now time for operations, a program or a project to take over the products

A PRINCE2 project can end in one of two ways: planned or premature.

- **Planned:** closing a project is triggered either by the Stage Plan schedule indicating when closure should be made or upon completion of the final product. Closing a Project should have been planned for as part of the Stage Plan preparation for the final stage. (Note that Closing a Project is not a stage in itself).
- **Premature:** notification comes from the Project Board that the project should be terminated early, via the process Directing a Project

Benefits Review:

Those benefits that have been realized are reviewed, while those unrealized are planned for in the Benefits Review Plan

Process Deliverable:

The End Project Report includes a comparison of what was expected to happen with what actually happened, as documented in the Project Initiation Documentation. Lessons for the project are reviewed and any unrealized benefits are planned for

Process Activities:

- Prepare planned closure
- Prepare premature closure
- Handover products
- Evaluate the project
- Recommend project closure

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PRINCE2 Process activities Summary:

Process	Activities	Management Products
Starting up a Project		
	Appoint the Executive and the Project Manager	Lessons Log
	Capture previous lessons	Outline Business Case
	Prepare the outline Business Case	Project Brief
	Design and appoint the project management team	Project management team role descriptions
	Select the project approach and assemble the Project Brief	Project Product Description
	Plan the initiation stage	Stage Plan
Directing a Project		
	Authorize initiation	
	Authorize the project	
	Authorize a Stage or Exception Plan	
	Give ad hoc direction	
	Authorize project closure	
Initiating a Project		
	Prepare the Risk Management Strategy	Benefits Review Plan
	Prepare the Quality Management Strategy	Business Case
	Prepare the Configuration Management Strategy	Communication Management Strategy
	Prepare the Communication Strategy	Configuration Item Record
	Set up the project controls	Configuration Management Strategy
	Create the Project Plan	Issue Register
	Refine the Business Case	Product Description
	Assemble the Project Initiation Documentation	Project Initiation Document
		Project Plan
		Quality Management Strategy
		Quality Register
		Risk Management Strategy

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		Risk Register
Managing a Stage Boundary		
	Plan the next stage	Stage Plan
	Update the Project Plan	Exception Plan
	Update the Business Case	Configuration Item Record
	Report stage end	Product Status Account
	Produce an Exception Plan	End Stage Report
		Lessons Report
Controlling a Stage		
	Authorize a Work Package	Highlight Report
	Review Work Package status	Work Package
	Receive completed Work Packages	
	Review stage status	
	Report Highlights	
	Capture and examine issues and risks	
	Escalate issues and risks	
	Take corrective action	
Managing Product Delivery		
	Accept a Work Package	Checkpoint Report
	Execute a Work Package	Configuration Item Record
	Deliver a Work Package	Issue Report
		Product Description
		Quality Register Work Package
Closing a Project		
	Prepare planned closure	Benefits Review Plan
	Prepare premature closure	End Project Report
	Hand over products	Lessons Report
	Evaluate the project	Follow-on action recommendations
	Recommend project closure	

Tailoring PRINCE2® to the project environment:

This addresses the need to tailor PRINCE2® to the specific context of the project. PRINCE2® is not a “one size fits all” solution; it is a flexible framework that can readily be tailored to any type or size of project

What PRINCE2® does not provide?

It is not intended (or possible) for PRINCE2® to cover every aspect of project management. There are three broad topic categories which are deliberately considered to be outside the scope of PRINCE2®. They are:

- **Specialist Aspects** – The strength of PRINCE2® is in its wide applicability – it is entirely generic. Consequently, industry-specific or type-specific activity is excluded. Engineering models, project lifecycles or specific techniques (such as organizational change management or procurement) can readily be used alongside PRINCE2®. It categorizes all these aspects of project as “specialist” (which means that the specialist products concerned need to be identified and included within project scope and plans).
- **Detailed Techniques** – There are many proven planning and control techniques that can be used in support of the PRINCE2® Themes. Examples are critical path analysis (in planning) and earned value analysis (in progress control). Such techniques are well documented elsewhere. Only techniques that have a specific PRINCE2® approach are described, e.g. the product-based planning and quality review techniques.
- **Leadership Capability** – Leadership, motivational skills and other interpersonal skills are immensely important in project management but impossible to codify in a method. Leadership styles vary considerably and a style that works in one situation may be entirely inappropriate in another. The fact that it is easy to think of successful leaders who have adopted very different styles – from autocratic to consensus-based – bears this out. PRINCE2® cannot address this aspect of project management directly. There are many leadership models and interpersonal-skills training programs that fulfill this requirement.