

**PRINCE2 In 60 Minutes Flat!**

# PRINCE2 In 60 Minutes Flat!



Dave Litten - CasaBlanca Publishing Corp

**Congratulations!**



**YOU ARE JUST SIX STEPS AWAY FROM your potential PRINCE2 EXAM PASS!**

You are now one of the few folks out there who are taking their path to PRINCE2 Practitioner seriously...

It is important that you create a study plan to absorb the high-level information in this PRINCE2 Step-By-Step Guide. It has been designed by me to be easy to read and absorb by you. I would suggest you spend 30 minutes or so just skimming through the material first, then sit down later and understand each element – ONE AT A TIME. Take as long as you wish – we all learn at different speeds!

When you have finished one element (for example Starting Up A Project), then go to the end of this document, and fill in as much information as you can remember. Don't worry about getting everything in this Guide committed to memory. I would suggest 60 to 80% understanding of the material is a good indicator! When you have finished studying STEP ONE, go here for the STEP TWO:

<http://www.prince2primer.com>

**Good Luck on your path to your PRINCE2 exam pass...**

**My PRINCE2® Primer is now an Approved and Licensed Product supported by the APM Group as recommended pre-course preparation for all Accredited PRINCE2® training events**

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## INTRODUCTION

### The Exams

The PRINCE2 Practitioner consists of 2 exams:

**Foundation:** 1 hour, 75 multi-choice questions. There are 5 dummy questions so you will only be marked out of 70 marks. The pass mark is 50% - 35 correct answers. You must pass this exam to sit the Practitioner

**Practitioner:** 2.5 hours, scenario-based objective test exam with 8 questions with 10 items per question, each worth one mark totaling 80 marks. The pass mark is 44 marks (55%). There is no reading time and the PRINCE2 Manual is the only reference allowed in the exam.

### Re-Registration:

1 hour exam in the same style as the Practitioner. 3 questions with 10 items per question each worth 1 mark giving 30 marks. The pass mark is 17 marks (55%). There is no reading time and the PRINCE2 Manual is the only reference allowed in the exam.

NOTE: Re-takes are permitted as many times as you wish, however extra payment will be required to the appropriate Accredited Training Organization.

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## PROCESSES

### These are the **SEVEN** Processes and their Activities:

#### Starting up a Project

- 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

#### Directing a Project

- Authorize initiation
- Authorize the project
- Authorize a Stage or Exception Plan
- Give ad hoc direction
- Authorize project closure

#### Managing Product Delivery

- Accept a Work Package
- Execute a Work Package
- Deliver a Work Package

#### Managing a Stage Boundary

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

#### Initiating a Project

- Prepare the Risk Management Strategy
- Prepare the Quality Management Strategy
- Prepare the Configuration 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

#### Controlling a Stage

- Authorize a Work Package
- Review Work Package status
- Receive completed Work Packages
- Review the stage status
- Report highlights
- Capture and examine issues and risks
- Escalate issues and risks
- Take corrective action

#### Closing a Project

- Prepare planned closure
- Prepare premature closure
- Hand over products
- Evaluate the project
- Recommend project closure

### PRINCIPLES - 1

These PRINCE2 principles are based on years of experience and lessons learned from both successful projects as well as failed projects. To conform to PRINCE2, your project MUST adhere to these principles.

There are SEVEN Principles:

1. Continued business justification
2. Learn from experience
3. Defined roles and responsibilities
4. Manage by stages
5. Manage by exception
6. Focus on products
7. Tailor to suit the project environment

#### **Continued business justification**

The justification is documented in the Business Case, and this is used to drive all decision-making processes to ensure that the project remains aligned to the business objectives, and that the benefits and Business Case is viable, desirable, and achievable

The Business Case must be viable to start the project, and remain viable throughout. If the Business Case ceases to be viable, the project should be changed or stopped.

#### **Learn from experience**

Everyone involved in the project should proactively seek out lessons rather than waiting for someone else to provide them. The lessons are captured in the Lessons Log when starting the project to see if any could be applied. Lessons should be included in reports and reviews including End Stage Assessments, the aim being to seek opportunities to implement improvements. When the project closes, the Lessons Report should pass on lessons identified for the use of future projects.

## PRINCIPLES - 2

### Defined roles and responsibilities

All projects need resources with the right level of knowledge, skills, experience, and authority. These must be assigned required roles within the project. The Project Management Team structure must have these roles and responsibilities agreed plus a means for effective communication between them.

A project must have primary stakeholders, and all three stakeholder interests must be represented on the project:

- Business sponsors – ensuring that the project provides value for money
- Users – those who will use the project's products
- Suppliers – they provide the project resources including the specialist team who create the products

### Manage by stages

A PRINCE2 project divides the project into a number of management stages – the minimum being two, the initiation stage and one delivery stage. These stages are partitions of the project with a control/decision point at the end of each - the Project Board need to approve the next stage plan before work commences.

Shorter stages give more control, and longer stages place less burden on senior management. There is no point attempting to plan beyond the horizon, as planning effort will be wasted.

PRINCE2 achieves this by having a high-level Project Plan, and detailed Stage Plans that are created for the next stage near the end of each current stage. The project is released to the Project Manager one stage at a time.

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### PRINCIPLES - 3

#### **Focus on products**

Without a product focus projects can be subjected to “scope creep”. PRINCE2 uses Product Descriptions which are created during planning. These include the quality criteria that each product must meet. Once the products of a plan have been defined, then the activities and resources can be planned in order to create the products.

#### **Manage by exception**

Management by exception enables efficient use of senior management time by reducing their time and effort burden – while still having control by ensuring that appropriate decisions are made at the right level within the organization. It does this by defining distinct responsibilities at different levels for directing, managing and delivering the project with accountability at each level. The situation is escalated to the next management level (up) if the tolerances are forecast to be exceeded.

These levels of authority from one management level to the next is achieved by setting appropriate tolerances ( a plus/minus allowable deviation from plan). The tolerances can be set against the six objectives and constraints for each plan. They are Time, Cost, Quality, Scope, Risk, and Benefit.

#### **Tailor to suit the project environment**

PRINCE2 is a universal project management method that can be applied to any project in any industry, organization and culture because the method is designed to be tailored. Tailoring ensures the PRINCE2 method relates to the project environment, that the project controls are adjusted to suit the project’s scale, complexity, importance, capability and risk.

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## PROCESSES

### The Project Processes

The 7 Processes may be considered as a set of "Toolkits" to be used WHEN needed.

Some processes are normally only used only once during a project:

**Starting Up a Project**  
**Initiating a Project**  
**Closing a Project**

Other processes are used on a regular basis WHEN needed:

**Controlling a Stage**  
**Managing Product Delivery**  
**Managing a Stage Boundary**

One process is used continuously from the beginning of the project until the close of the project:

**Directing a Project**

Each process contains a set of activities and recommended actions.

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## PROCESSES

### Starting up a project (SU)

This is the pre-project preparation process, consisting of a high level analysis of the project. It is also where the project management team are designed and appointed. The information gathered and created in this process is put before the project board, and is the point where they meet for the first time, so that they can make a decision whether or not to start the project.

They should agree that the project makes sense to do, and if so, agreed to invest in the Initiation stage for the creation of the Project Initiation Documentation. The Project Mandate, issued by corporate or programme management, triggers the Starting Up a Project process, and ensures that a business requirement exists via the creation of the Outline Business Case.

SU must answer "do we have a viable and worthwhile project" and is designed to ensure that the pre-requisites for the Initiation Stage are in place. The outline Business Case is created to prove there is sufficient business justification, and the project approach is selected (how the project will deliver the end product). **The decision to proceed or not, is made in the Directing a Project process.**

SU provides management products that provide basic information such that the project board can make an informed choice whether or not to invest in the initiation stage and the creation of the Project Initiation Document. The Daily Log is created which is used as the project managers "diary", and it is also used to capture and issues and known risks.

SU creates the plan for the initiation stage which covers the time and resources for the creation of the project initiation documentation, and the time and resources to prepare and plan for the second (the first delivery) stage. The Project Mandate is refined into the Project Brief leading to creation of the Project Approach. Any lessons from previous projects are identified and the Lessons Log created to log them. The Project Product Description is created containing the customer's quality expectations and acceptance criteria.

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## PROCESSES

### Initiating a Project (IP)

This process is used during the first stage - the Initiation Stage, and assembles the Project Initiation Documentation (PID). IP establishes solid project foundations, clarifies the reasons, benefits, risks and scope, and enables the organization to understand the work to be done to deliver the project's products.

Other key documents include the Quality, Risk, Configuration, and Communication Strategies, and implementing the project controls. In addition the Quality, Risk, and Issue Registers are created.

This information will be presented to the project board, who meet for the second time to authorize the project. The second Stage Plan is also created (using the Managing a Stage Boundary process). It is not until the second (delivery) stage that any specialist products are created. **Both the PID and the second Stage Plan are approved or otherwise, in the Directing a Project process.**

The PID sets out WHAT the project is intended to achieve, WHY it is needed, HOW the outcome is to be achieved WHEN activities are to happen, and what (WHO) people's responsibilities are. It contains a suite of management products sufficient for the level of control needed by the Project Board. The Senior User is responsible for identifying the expected benefits within the Business Case, and the Project Manager creates the Benefits Review Plan – used to define how and when measurement of the benefits will be achieved.

The project is split into a number of management stages; the first stage is called the Initiation Stage. The minimum number of stages is two. A stage is defined as "partitions of the project with management decision points", and at the end of each stage, the project board must approve the next stage plan including the resources required before authorizing the project manager to control and manage that stage.

Once the PID is signed off by the project board it is now owned by them and encourages their commitment. The PID will be used as a "baseline" against which to monitor and manage control and report throughout the project. Parts of the PID will be updated at the end of each stage to reflect the latest progress and understanding. It is important that the PID contains a viable Business Case demonstrating that the benefits to be realized are worth the time, effort, cost and risks

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**PROCESSES****Directing a Project (DP)**

This process is used by the Project Board whose roles represent the business, users and suppliers. They are accountable for the project's success by making all the key decisions, and must have the authority to exercise overall control and commit resources during the project life cycle. The project board manages by exception, monitors via reports, and controls through a number of decision points.

Manage By Exception. This is done by releasing the project to the project manager one stage at a time, and setting a tolerance band that the stage must complete within. The project board is: kept informed of stage status by regular highlight reports from the project manager, and controls via decision points

If the stage is forecast to exceed tolerance, then the project manager brings this to the project board's attention by issuing an Exception Report. The project board will then decide to either prematurely close the project, or to request an Exception Plan, which if authorized by them, will replace the existing stage plan that would no longer finish within tolerance. There is no need for "regular progress meetings".

The project board meets to authorize the Initiation Stage, then again to authorize the project by signing off the Project Initiation Documentation. After this they will meet at the end of each stage (End Stage Assessment), or if required, at an Exception Assessment, to agree or not that the project should continue. At project end, the project board meets for a final time to confirm that the project should be closed.

The project board is also responsible for communicating with external interested parties, including keeping corporate or programme management notified of project status and progress.

The sub-process "Giving Ad-Hoc Direction" is used as a communication path both within, and external to the project. All other sub-processes are "event-driven" in that the project board brought together to provide direction and authorization as and when needed. The project board is the authority to close the project (or issue a premature close), and will ensure that the end product has been accepted and handed over, and that post-project benefits are managed and reviewed.

## PROCESSES

### Managing a Stage Boundary (SB)

This process is only used for two purposes: preparation for an End Stage Assessment leading to approval or otherwise of the next stage plan, or... preparation for an Exception Assessment - leading to approval or otherwise, of an Exception Plan. The project manager will do most of the preparation work, assisted by Project Assurance, Project Support, and often, the specialist team in terms of the Team and Stage Plan.

SB is used at the end of each stage apart from the last – when the Closing a Project process is used to review the last stage progress. SB provides sufficient information to the Project Board to review the current stage, approve the next stage plan, review the updated Project Plan and Business Case to ensure continued viability, and that the aggregated risks and countermeasures are acceptable.

This process includes updating the Risk, Issue, and Quality Registers, the latter to include the quality check plan dates for the next stage products. Configuration Item Records are amended or created, The Benefits Review Plan updated to acknowledge any Products that have gone into operational status, the End Stage Report is generated to summarize the stage and project status, and a Lessons Report is created if required.

Checking that the Project Management Team members are still appropriate, or that new members are required, e.g. a new supplier is needed in the next stage. Is the Project Approach still working, and does the Project Quality Plan strategy need adjusting? Does the Communication Plan need updating for new interested parties? Update the Configuration Item Records to ensure that they are in agreement with the actual status of products.

An End Stage Report is prepared to present to the project board summarizing the results of the current stage along with the high level of view of the project and business case. This is accompanied by the Next Stage Plan. In summary, SB is used to create and update all relevant project information so that the project board can make an informed choice about whether or not to proceed with the project.

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## PROCESSES

### Controlling a Stage (CS) Part One

The project manager is given responsibility for day-to-day management of the project, one stage at a time. As part of an End Stage Assessment (or an Exception Assessment), the Project Board will approve the Next Stage Plan (or Exception Plan), ask for a new draft, or possibly prematurely close the project.

They will also advise the Project Manager how often they want to receive Highlight Reports in the next stage, and they will set Stage Tolerance so that "Management By Exception" can operate.

The CS purpose is to assign work via authorizing Work Packages, monitor the work progress, deal with risks and issues, report progress to the Project Board – or escalate issues, and take corrective action to ensure the stage remains within tolerance. Once a decision has been taken to proceed with work and resources have been committed, the project management team must be focused on delivery within the tolerance laid down.

The project manager is responsible for managing issues, and making adjustments within Tolerance if necessary.

During the stage, the project manager must ensure that the stage's products are being created, passing their quality criteria and being approved, that the resources used and forecast are sufficient for the remainder of the Stage, that the risks are kept under control, and the business case kept under review.

The Project Manager has the authority, providing the stage is forecast to fall within Tolerance, to take any corrective action that they believe necessary. Note that the Project Board Executive is responsible for the Business Case but regular management and updating of that document may be delegated to the Project Manager.

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## **PROCESSES**

### **Controlling a Stage (CS) – Part Two**

Controlling a Stage consists of the following key activities:

1. Authorizing work packages and ensuring that they are accepted by the Team Manager or specialist team
2. Receiving regular feedback on the Work Package status, and assessing the bigger picture of actual stage progress
3. Receiving advice of completed Work Packages and ensuring that they are complete and all arrangements have been carried out in a satisfactory manner
4. Create regular Highlight Reports to keep the Project Board informed of stage progress – both in terms of actual progress and future forecast. The Highlight Report will also contain information such as budget, schedule, issue, risk, and tolerance situations.
5. Reviewing the remainder of the stage and ensuring that it can be completed within tolerance, and taking corrective action if needed, when the stage is forecast to complete within tolerance
6. Capture and examine project issues or risks including an impact analysis on each
7. Escalate project issues or risks to the project board if tolerance is forecast to be exceeded, via an Exception Report

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**PROCESSES****Managing Product Delivery (MP)**

The objective of this process is to ensure that planned products are created and delivered by the specialist team under the control of a Team Manager or the team themselves. PRINCE2 takes the view that the job of the project manager is to manage the team, not to do the work of product creation.

MP allows a controlled break between the project manager and product creation/provision by third party or internal suppliers. The Stage Plan is split into Work Packages (each containing at least one Product Description), these are authorized by the project manager, and then given to the specialist team who needs to agree that they will carry out the Work Package. Optionally, a Team Plan can be created as part of agreeing the Work Package.

Once the Work Package has been agreed then work will start in creating the products within the work package, and carrying out quality checks such that the products meet the quality criteria contained within each Product Description.

As each product is approved, arrangements must be made so that the product is protected from change or damage. If the product type allows, the product will often be returned to the Configuration Librarian.

The team or Team Manager must keep the project manager informed of the Work Package progress, by sending regular Checkpoint Reports (or meetings) to the project manager, and keeping the Quality Register updated.

The Quality Register contains planned, and eventually, actual dates of all specialist product quality checks. Once all products have been approved and authorized, then the work package is complete, and the project manager must be informed so that this can be agreed.

As each Work Package is finished, the Project Manager must agree that the work and product creation is satisfactory. This may trigger a new Work Package, or preparation for an End Stage Assessment.

**PROCESSES****Closing a Project (CP)**

The purpose of this process is to provide a fixed point at which acceptance for the project product is confirmed, and to recognize that the objectives set out in the original PID have been met – or that the project has nothing more to contribute. One of the defining features of a project is that it is finite -- in that it has a start and an end. If the project loses this distinctiveness, it loses some of its effectiveness of a purely operational management approaches.

This process may be used for either a "natural" close or a premature close should it ever be necessary. Closing a Project is triggered during the last stage after all specialist products have been created. It should not be used in a final stage solely for the purpose of closing the project.

The objective of Closing a Project, is to have a fixed point at which the project product is accepted, and that this is confirmed, and to agree that the Project Initiation Documentation objectives have been met. This process is also used should a need arise for a premature close.

These activities need to happen:

- Verify user acceptance of products
- Ensure operations and maintenance are able to support the products
- Review the project performance against its baselines
- Assess any benefits that have already been realized, forecast the remaining benefits and plan their review
- Capture open issues and risks with the follow-on action recommendations

Closure activities should have been included within the final stage plan, the project team can now be disbanded, and project costs should no longer be incurred. The executive should inform corporate or programme management that the project has closed.

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## PROCESSES

### Tailoring PRINCE2 to the project environment

Tailoring refers to the appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, governance and use, of the Processes and Themes. However, adopting PRINCE2 is called embedding.

The Principles are universal and always applied, and are never tailored. The Themes have the project's environmental and project factors built into the project's controls, and an organization's policies and standard are captured within the relevant PRINCE2 strategy document. PRINCE2 may be to use local terminology terms and language variances.

Product Descriptions may be revised for the management products along with the PRINCE2 role descriptions. PRINCE2 can be used whatever the project scale, industry, complexity, culture or geography.

Tailoring does not consist of omitting elements of PRINCE2, but adapting the method to external factors. The objective is to apply a level of project management that does not overburden the project, but provides an appropriate level of control given the external and project factors.

All PRINCE2 processes and their activities must be used, although responsibilities for performing the activities may change.

Aspects of PRINCE2 that may be tailored are:

- The customer/supplier environment including whether the project is part of a programme
- Lifecycle models and project management bodies of knowledge
- Project scale and people verses roles including options for applying people to roles and vice-versa

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### THEMES

Themes describe aspects of project management that need to be used continually throughout a project. They could be considered as “approaches”, since, for example, the Risk Theme advises how risk management is to be used and applied. The Themes are:

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

### Business Case

The Business Case sets out WHY the project is needed, and is used to judge whether the project is viable, desirable and achievable. It evolves from the reasons given in the mandate as an outline version, and the detailed Business Case is refined and contained within the PID. The business case is used as the driving force behind the project. It should be reviewed at a minimum, at the end of each management stage.

If a satisfactory business case does not exist, then the project should not be started. If business justification is valid at the start of a project, but disappears during the project, then the project should be changed or stopped. The Business Case justification is based upon the estimated costs, risks and the expected benefits. When projects face risks or change, these should be referenced to the Business Case because the project is only a means to an end – not the end itself.

The Senior User is responsible, and accountable to Corporate/programme Management for specifying the desired benefits, and for subsequently realizing them (some or all may be after project closure) Whereas the Executive is responsible for ensuring that these same benefits are aligned with corporate objectives, are realistic, and provide value for money.

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## THEMES

### The Organization Theme

The PRINCE2 project management structure is based on a customer/supplier environment. The organization structure consists of the project management team and any optional roles. PRINCE2 does not define how many people should be involved in the project, rather, it sets out a number of roles that maybe filled by one or more people, or a single person may hold more than one role. Each role should define the levels of authority required, and may also include the relevant knowledge, skills, experience, and commitment/availability to fill the role.

PRINCE2 assumes a customer/supplier environment – the customer specifies the desired result (and probably pays for it, and a supplier who provides the resources to deliver that result. The main roles are Corporate (who issue the Mandate and set project-level Tolerance), and the Project Management Team. The Project Management Team consists of representation from the business, user, and supplier interests at all times. The Executive represents the business viewpoint of the project, and is responsible for business assurance. The two other project board roles are the Senior User and Senior Supplier.

The Project Board are responsible for ensuring that the project remains on track to deliver products of the required quality, and that the business case remains viable. The Project Board Executive role owns the Business Case and is ultimately responsible for the success or otherwise of the project. The project board Executive will involve and consider advice and opinions of the other two roles, but ultimately, always has the authority to take the final decision.

There are 4 levels of management:

**Corporate/Programme Management** – responsible for commissioning the project

**Directing** – The Project Board is responsible for overall direction and management of the project

**Managing** – The Project Manager is responsible for day-to-day management within the Project Board constraints

**Delivering** – Optionally, a Team Manager may be appointed – responsible for planning specialist products and managing the specialist team

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**THEMES****The Organization Theme – Part Two**

The Senior User role represents those who will either use the final product, achieve an objective for them, used the end result to deliver benefits, or they will be impacted (hopefully in a positive way!), by the project outcome. As with the other roles, this one must have the authority to act.

This role is also responsible for User Assurance.

The Senior Supplier role needs to achieve the results required by the Senior User, and represents the interests of those designing, developing, facilitating, procuring and implementing.

To do this the senior supplier is accountable for the quality of products delivered by the suppliers and that supplier resources of all types (this includes provision of the specialist team), are appropriate.

This role is also responsible for Supplier Assurance, and must be able to support technical integrity of the project.

The project board as a whole is responsible for Project Assurance in the form of Business, User, and Supplier Assurances as stated above. Each role may decide to carry out their own assurance responsibilities, or optionally may decide to delegate it.

The project board members are usually part time and drawn from the existing management structure within the organization. It is recommended that project board members should remain with the project until its close whenever possible. However, as each Stage progresses, those who fill the roles may need to be modified.

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**THEMES****The Organization Theme – Part Three****The Project Manager**

The project manager is responsible for day-to-day management within each stage within the constraints laid down by the project board, such as tolerance.

The project manager is responsible for the creation of the PID, which includes the project plan, giving regular highlight reports to the project board, authorizing work packages to the specialist team, ensuring that product creation is on track and that the products are of sufficient quality, and that the work packages are completed satisfactorily.

The project manager is also responsible for most of the work during the managing stage boundaries process. This includes creating the next stage or exception plans, and updating the relevant documentation at each stage end – but supported by Project Assurance and Project Support.

There are several optional roles which may be filled - however, if no one is available then the project manager must perform these roles themselves. They are:

Project support, configuration management, and team managers. The project manager may decide to issue work packages and receive work package status reports (Checkpoint Reports), directly to the specialist team themselves.

However, there are situations where the team manager role may optionally be carried out by another individual if required. By default, the project manager fulfills this role. For example, if the team size is too large, the specialist nature of the products are unfamiliar to the project manager, where the team is dispersed over a large geographical area, or where a third party organization is involved in the creation of the products, and they wish to use their project manager to act as a team manager within the project.

**THEMES****The Progress Theme – Part One**

The purpose of the Progress Theme is to establish mechanisms to monitor and evaluate actual achievements against planned objectives so that a forecast can be made for forecast objectives and continued viability. Progress is the measure of the achievement of the objectives of a plan, and it can be measured at Work Package, stage or project level. Controls are built into the project to ensure that progress is monitored and to detect problems early and react, and that those plans are regularly reviewed and updated.

There are many different controls within PRINCE2, most of these are event-driven apart from two, the highlight reports and checkpoint reports - these are time-driven (produced on a regular timed basis). The event driven controls are used when a particular event occurs - such as the end of a stage triggers an end stage assessment.

The controls are split into two sections - the controls used by the Project Board, and those used by the Project Manager. Of particular interest is the use of Tolerance within the context of Management By Exception. Tolerance can be applied to several aspects of the project including; time, cost, scope, quality, risk, and benefits.

Tolerance is the permissible deviation from a plan without bringing that deviation to the attention of the next higher authority. Tolerance is built into a plan to allow for small problems and estimating errors (plus and minus), and should not be confused with a contingency budget (there to cover contingency actions should the linked risk occur), and a change budget which is there to pay for any changes.

Tolerance forms a vital part of management by exception, and can exist at three levels: Project level tolerance. Only corporate management (who created the Project Mandate), have the authority to set project-level tolerances. The Project Board has the authority to set stage-level tolerances, and optionally, the project manager may set tolerances at the Work Package level.

## THEMES

### The Progress Theme – Part Two

Progress controls ensure that each level of the project management team can:

- Monitor progress
- Compare the level of achievement with plan
- Review plans and options against future situations
- Detect problems early and detect risks
- Initiate corrective action
- Authorize further work

For Project Board and Project Manager levels, the many controls allow them to provide appropriate authorizations, receive progress updates, and manage exceptions and changes.

Work Package tolerances are set by the Project Manager, and if forecast to be exceeded, the Team Manager raises an issue so that the Project Manager can advise of any corrective action.

Stage level tolerances are set by the Project Board, and if forecast to be exceeded, the Project Manager raises an Issue, and sends the Project Board an Exception Report. The Project Board may then request an Exception Plan which is reviewed by them at an Exception Assessment to approve it or otherwise.

Project-level tolerances are set by Corporate or Programme Management, and the Project Board must refer back to them should project tolerance be forecast to be exceeded.

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**THEMES****The Risk Theme – Part One**

A risk is an uncertain event that, should it occur, will have an effect on the achievement of objectives. It consists of a combination of the probability of a perceived threat or opportunity occurring, and the size of its impact on objectives. Every project has risks since projects cause change, and change results in uncertainty – hence risk. The project manager is responsible for ensuring that risks are identified, recorded and regularly reviewed.

The project board has four risk responsibilities:

1. Keeping the project manager informed of any external risk exposure to the project
2. Agreeing or otherwise to the project managers planned risk actions
3. Ensuring that there is a balance between the level of risk and the business case benefits
4. Keeping corporate and other senior stakeholders of any risks that may affect their objectives.

Each risk should be allocated a risk owner who is responsible for managing the risk, and a risk actionee, who is responsible for carry out the risk actions (they may be the same person). The project board and project manager may themselves own particular risks. All risks and their details are entered on to the Risk Register. This is kept updated throughout the project.

New risks may arise, and existing risks may change - for example become more or less likely, their impacts may increase, the increase, or change. As a result of those, new actions or countermeasures may need to be planned. The proximity of each risk should be considered – expressed as a time from today, or a specific date. This is helpful in prioritizing risk actions, and determining the severity of a risk due to the time frame when it actually might occur.

Every project should have a Risk Management Strategy, describing the procedures for capturing and registering risks, and a means of control – the Risk Register, which is used to capture and maintain information on identified threats and opportunities.

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**THEMES****The Risk Theme – Part Two**

The Risk Management procedure is split into FOUR main steps:

- |                       |   |
|-----------------------|---|
| <b>1. Identify</b>    | Identify the specific objectives that are at risk – and to formulate the Risk Management Strategy, capture the risks and place on the Risk Register.        |
| <b>2. Assess</b>      | Estimate the probability, impact, proximity and severity of each risk   |
| <b>3. Plan</b>        | Prepare responses to the risks – Avoid, Reduce, Fallback, Transfer, Share, Accept and for opportunities, Exploit, Enhance, Share, Reject, for opportunities |
| <b>4. Implement</b>   | Carry out the risk/opportunity actions, monitor and report  |
| <b>5. Communicate</b> | Ensure internal and external communication on the aggregated risks.   |

Risk or opportunity Impact should be considered under the following headings: Time, cost, quality, scope, benefit, and people/resources. Once a plan is signed off, then monitoring and reporting can take place. This will normally consists of checking that the actions are having the desired effect watching for warning signs and trends, and ensuring that the overall management of risk is effective. Risk management is an ongoing and iterative activity throughout the project and its stages.

The total risk situation should be checked at key points - particularly at those times when the project board needs to authorize a Next Stage Plan or Exception Plan. The risk situation should be included in the regular highlight report. Also the risk situation should be checked when:

1. Planning, authorizing and accepting Work Packages
2. Examining project issues, as part of management by exception
3. When closing the project – operational risks that need to be managed by others after closure.

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## THEMES

### The Quality Theme

The Quality Theme defines the approach to ensure that the project's products meet business expectations, and will enable the desired benefits to be realized. It addresses the quality methods and responsibilities for the specification, development, and approval of the products as well as for the management of the project.

The focus on products principle is central to PRINCE2 approach to quality because it provides an explicit understanding of what the project will create and the quality criteria against which the project's products will be assessed. Capturing and acting on lessons contributes to the PRINCE2 quality approach.

Project and hence stage costs and timescales can only be estimated after establishing the quality criteria for the products and the quality management activities that are required. The Quality Management Strategy is created, describing how quality is to be achieved, and this should include responsibilities for quality and any special standards that will need to be met.

The Quality Register is set up and used to capture the planned, and eventually actual, dates, of all specialist products quality checking activities. As such it may be seen as a progress tool. During the creation of all plans, and using the Product-Based Planning, Product Descriptions are written in close consultation with the users, and quality criteria agreed for each product. The Stage Plan must include information on the timing, method, and resources needed for all quality checking identified and included.

At this point, the Quality Log will have the planned date for all quality checking within the stage added. Once the specialist team has agreed to execute the Work Package, then work commences on the creation of the specialist products (Executing a Work Package). When each product has been created, it is submitted to the agreed Quality Check laid out in the Product Description. This may be an informal Quality Check – or a Formal Quality Review. The former is used when the quality measurements are a simple Yes/No, the latter when the criteria are more subjective.

Once passed, the product is approved and usually given to Project Support/Configuration Management. The Quality Log should be updated with actual dates of the Quality Check.

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## THEMES

### The Plans Theme – Part One

The Plans Theme makes the point that a plan is a document - not, for example, just a scheduled diagram (Gantt Chart, etc,). Without a plan there is no control. Plans also have an important function of proving that targets can be met, identifying the resources needed, and assisting in many communication aspects of the project. The Plans Theme provides a framework to design, develop and maintain the project's plans.

The benefits of creating a plan are many, and include the products, activities and resources needed to achieve the targets within an agreed timeframe, agreeing assumptions, constraints, risk countermeasures, dependencies between products and activities, and the points at which progress will be monitored and controlled. Progress is measured against a set of baselined plans. Each plan needs approval at the appropriate level.

PRINCE2 recommends three levels of plans to reflect the needs of the different levels of management involved:

- 1. The Project Plan** – created by the Initiating a Project process
- 2. Stage Plans** – The Initiation Stage Plan is created by the Starting Up a Project process, and remaining delivery stage plans are created by the Managing a Stage Boundary process
- 3. Team Plans** – these are optional and are created by the Managing Product Delivery process

Should it be necessary, an **Exception Plan** may be created, which if approved, would replace the existing plan that will no longer finish within tolerance. The Exception Plan is not a different level.

Apart from Team Plans, the Project Board approve all plans and in doing so, authorize the time and resources contained within them. The project board uses the Project Plan as their base reference, while the project manager uses the Stage Plan to monitor, manage, and control each stage.

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## THEMES

### The Plans Theme – Part TWO

The Benefits Review Plan covers activities both during and after the project (post-project benefits reviews), and may therefore be part of a corporate or programme plan.

### Product-Based Planning

This is used first to identify the products of a plan, then the activities and resources are considered that are needed to create that product. A product is anything that the project must produce in some way and is described by the use of a simple noun or outcome.

For example, Help Desk, New Help Desk, or possible Refurbished Help Desk. Compare and contrast this to a task, which is described by the use of a noun and verb. For example, create report, write the report, test the software, etc.

As described earlier, the technique consists of four steps:

1. Create the Project Product Description for the end product
2. Create a product breakdown structure (a hierarchical diagram)
3. Create product descriptions for the main lower level products
4. Create a product flow diagram (shows the sequence of creation of the products)

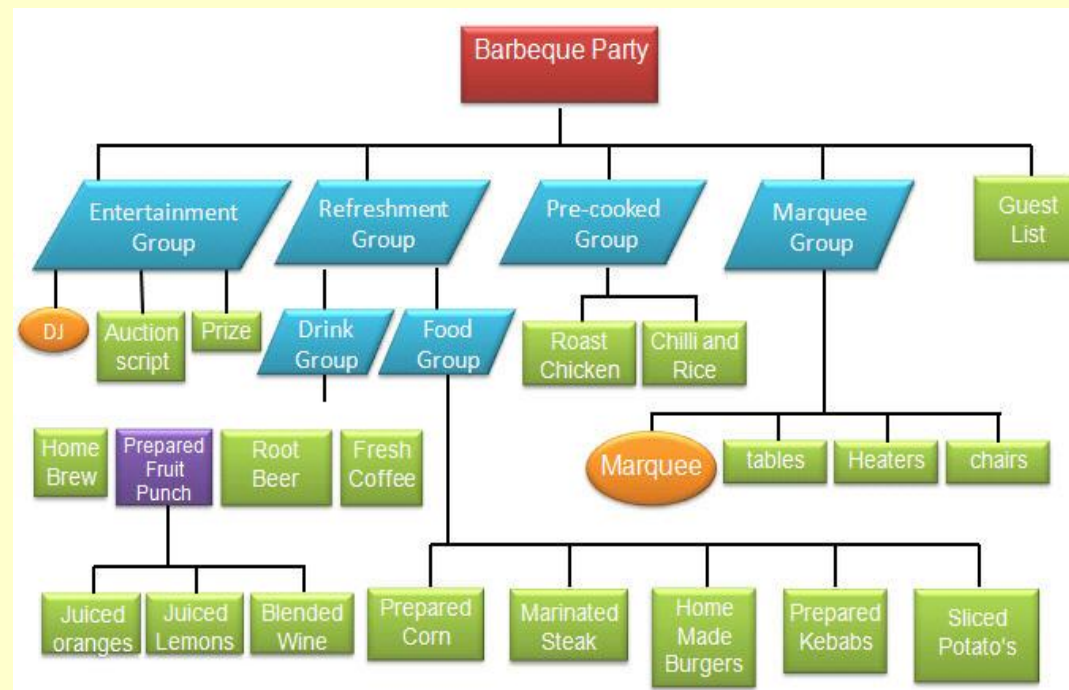
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**THEMES****The Plans Theme – Part THREE****The Product Breakdown Structure.**

This is a hierarchical diagram showing all the products that must be created within the scope of a plan.

Remember, this diagram does not show sequence - only a "family tree" type of diagram. When creating the project plan, the product breakdown structure would only include top-level products.

When producing a product breakdown structure at stage plan level, these products would be broken down into lower levels.

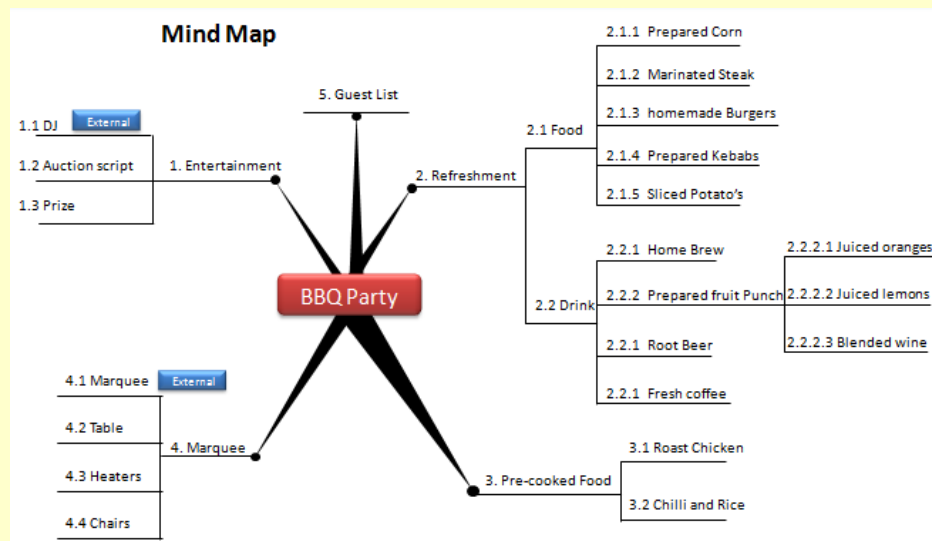


## THEMES

## The Plans Theme – Part FOUR

## The Product Breakdown Structure.

There are two other diagramming methods that can be used to represent the Product Breakdown Structure, as a mind map diagram or by an indented list:



## BBQ Party

- |   |  |
|---|--|
| <b>1 Entertainment</b><br>1.1 DJ<br>1.2 Auction Script<br>1.3 Prize   | <b>3 Pre-cooked food</b><br>3.1 Roast Chicken<br>3.2 Chilli and rice                                 |
| <b>2 Refreshment</b><br>2.1 Food<br>2.1.1 Prepared corn<br>2.1.2 Marinated steak<br>2.1.3 Homemade burgers<br>2.1.4 Prepared kebabs<br>2.1.5 Sliced potato's<br>2.2 Drink<br>2.2.1 Homebrew<br>2.2.2 Prepared fruit punch<br>2.2.2.1 Juiced oranges<br>2.2.2.2 Juiced lemons<br>2.2.2.3 Blended wine<br>2.2.3 Root beer<br>2.2.4 Fresh coffee | <b>4 Marquee</b><br>4.1 Marquee<br>4.2 Table<br>4.3 Heaters<br>4.4 Chairs<br><br><b>5 Guest List</b> |

**THEMES****The Plans Theme – Part FIVE**

At the top of the product breakdown structure diagram is the end product, and this is broken down into lower levels. Products at the lowest level are called simple products because they cannot, or do not need, to be broken down into more detail.

The standard shape is a rectangle.



Roast  
Chicken

Products in the "middle" of the diagram are called intermediate products.

There are two main types:



Refreshment  
Group

**Intermediate Collective.**

This type is just a convenient way of grouping products that have a common theme such as hardware, software, food, drink, documentation, etc.

To help identify and intermediate collective product, it is suggested that a different shape is used - that of a rhomboid.

These are not real products, but merely a device to help remind the planner of what the real products are, and these are drawn as sub products under the collective rhomboid.

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**THEMES****The Plans Theme – Part SIX****Intermediate Integration Products.**

Prepared  
Fruit  
Punch

This product shape is drawn as a standard rectangle.

However, the sub products below it must be assembled, tested, integrated, and prepared in some way to create the intermediate integration product itself.

Examples are, a hardware product assembled from its sub products, a document that uses various sources of information that are included within the document, or a named food dish that uses the ingredient sub-products below it.



Marquee

Another type of product is an external product, and an ellipse should be used as its shape.

An external product is one that already exists, but the project needs it in order to achieve the project objectives. Another example is where the product is to be supplied from sources outside of the scope of the project. The project has no control or influence over such Products.

This does not include when the work package is given to third parties - as these products are still under the control of the project and progress information is obtained from such teams.



**THEMES****The Plans Theme – Part SEVEN****Product Descriptions**

Product descriptions should be written as soon as the need for the product has been identified.

It is a good idea to involve the users or customer involved in the creation of product descriptions, particularly defining the quality criteria, and how the product may be checked against these criteria.

The suppliers must also be involved to ensure that the product description is realistic and achievable.

The product description contains key information *including*:

1. The purpose
2. Composition of the product
3. How the product is to appear and be presented
4. The quality criteria that will be applied to the finished product
5. The people or skills needed to produce/create/procure the product, review the product (via the quality review or quality check), and the person with the authority to approve the product.

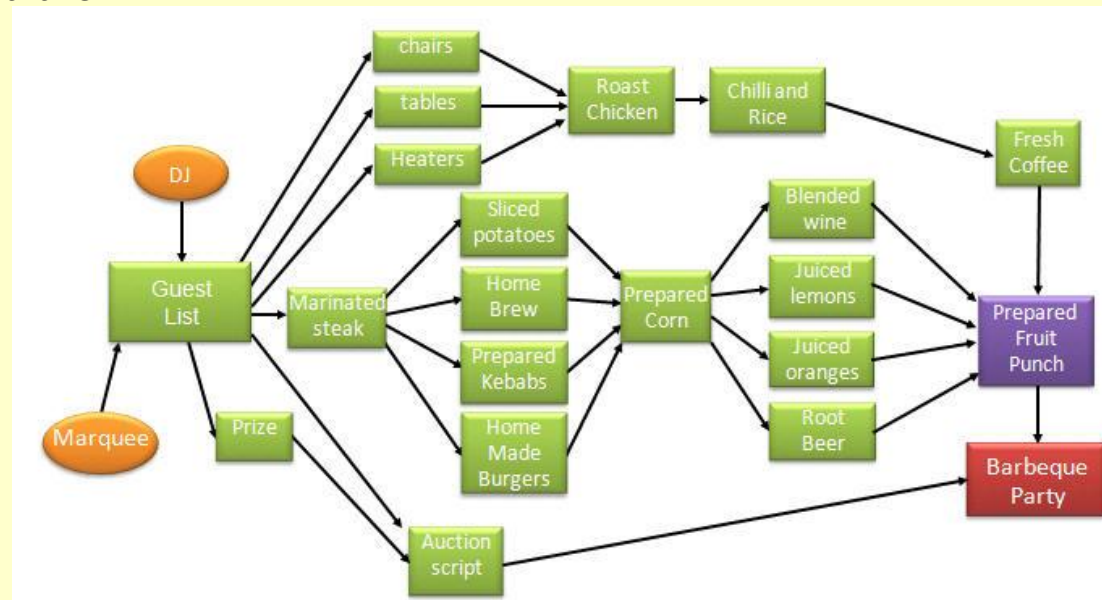
Some product descriptions can be created when producing the project plan in the initiation stage, while others may not be completed, or even identified until planning of a future stage.

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**THEMES****The Plans Theme – Part EIGHT****Product Flow Diagram.**

This shows the sequence of creation of all of the products identified in the product breakdown structure diagram, where the final product in the sequence will be the end product. However, the integration collective rhomboids have no value at in this diagram as they were not real products and only used in the product breakdown structure to help identify the real sub-products beneath.

Because the product flow diagram shows the sequence, then each product shape will have at least one arrow going into it - and at least one coming out of it. This diagram has the added advantage of helping the planner to identify dependencies between one product and another and any opportunities to develop some products in parallel.



## THEMES

### The Change Theme – Part One

Change is inevitable during the life of a project; hence the systematic approach to the identification, assessment and control of issues that could result if change is required. Anyone may raise an issue at any time, therefore a common approach to issue and change control is needed.

An issue can be:

- **General problem or concern**
- **Request For Change** a proposal for a change to a baseline
- **Off-Specification** Something provided by the project, but currently/forecast not to be provided

A pre-requisite of effective issue and change control is the establishment of a configuration management system that baselines the project's products and ensures that correct versions are delivered to the customer.

The Project Board may elect themselves as the authority to deal with changes, or delegate that responsibility to a Change Authority, including agreeing a change budget to analyze and implement such changes.

The aim of issue and change control procedures is not to prevent changes – but to ensure that the relevant authority agrees every change before it takes place. It is recommended that the Project Board should include representation from the business, user, and supplier interests at all times. The change Theme identifies, assesses and controls any potential and approved changes to baselines.

The Project Board is responsible for the Change Control procedure. However, it is the Project Manager, with possible help from project support and Configuration Management, that is responsible for applying this technique within the Controlling a Stage process. When an issue is raised, it should be entered into the issue Register, categorized according to the type of issue, and a copy sent to the author to advise its receipt and entry into the issue log.

## THEMES

### The Change Theme – Part Two

The issue and change control procedure includes; capturing and categorizing the issue and placing it on the Issue Register, carrying out an impact analysis on the project objectives, Business Case, and project risks, identifying, evaluating and recommending options, approve, reject or defer the issue option, and if appropriate, implement the corrective action.

If the issue is an off-specification, then the project manager may try to resolve the issue within tolerance if this is possible. But for Requests For Change, the project manager must always bring this to the attention of the project board since it is they who have the authority to agree or otherwise.

The Issue Register should be constantly updated to show the reader the current status and progress of the particular issue. Issues can cause existing risks to change – or create new risks. For this reason, the Risk Register should always be inspected when examining an issue.

The author of an issue should include their opinion of the **Priority** and Severity of the issue (if a RFC or Off- Spec:), for example “must-have” or “cosmetic only”. After Impact Analysis has been carried out, the Project Manager – or the Project Board, should re-evaluate the Priority rating.

Should any issue cause a forecast of tolerance to be exceeded, then the project manager must follow the management by exception process, and raise an **Exception Report** for consideration by the project board.

If the issue were to cause project tolerance to be exceeded, then the exception report must be passed upwards to Corporate Management.

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**THEMES****The Change Theme – Part Three****Configuration Management**

Within the context of a project, Configuration Management can be considered as version control. Configuration Management is used to manage the assets of a project - which are the products created by the project. All specialist products must come under the control of Configuration Management, but so too should the management products - with the exception of the various Logs and Registers. The name for the combined set of these assets is a configuration, and the configuration of the end product is the sum total of all its products.

Configuration Management should be a permanent part of an organization – usually supplied as part of Project Support, since once the project has finished, the end product needs to be managed throughout its life. The job of Configuration Management is to identify, track and protect the project products.

Configuration Management and Change Control must work very closely together. The Configuration Management Strategy is created in the Initiating a Project process and describes the way that configuration management is to be applied and used for the project and its products.

This strategy should include how and where the products are stored, what filing and retrieval security there will be, how products and their versions will be identified, and where responsibilities for Configuration Management lie. In order to exercise sufficient control, there must be close liaison between the Configuration Librarian and those creating the products, so that as the status of a product changes, its state is kept under control.

When a management product is authorized by the Project Board, it is "baselined", and therefore moves from draft status to approved status. This changes its status and "freezes" the content - so that it can now be used as a firm basis for the development of any later product, only to be changed under formal change control.

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## THEMES

### The Change Theme – Part Four

When a specialist product passes its quality check and is approved, it moves from the draft to approved status. Where appropriate, the Configuration Management holds master copies of products. They also control the issue of copies of a product, for example a document, so that it can be referenced and used. Where a copy of a product is needed for modification, for example an issue such as a request for change, the Librarian will issue the copy and ensure it is still under control.

Configuration management consists of five basic functions:

**Planning and identifying** what level of configuration management will be needed by the project, and **specifying/identifying** all components of the final product.

**Control.** This is the ability to agree and baseline products, and then only to make changes after agreement by the appropriate authority (normally the project board).

**Status accounting.** Configuration Management maintains full records of the status of all products and a full history concerning each.

**Verification.** Configuration Management provides a service of reviews and audits to ensure that the actual status of products match is their status held within configurations management records.

Such audits are particularly useful when preparing for an end stage assessment and when closing a project - but they may be requested at any time. Two important guidelines: If a product is to be changed, its product description should also be checked to see if it too, needs to be changed – and – Once a plan has been approved by the Project Board, any products referenced within the plan must not be changed without the approval of the project board.

## APPENDICES

### Appendices

**Appendix A.** Product Description outlines for the defined management products, split into the following groups:

#### **BASELINE DOCUMENTS**

Benefits Review Plan  
Business Case  
Communication Management Strategy  
Configuration Management Strategy  
Quality Management Strategy  
Risk Management Strategy

#### **BASELINE DOCUMENTS**

Project Brief  
Project Initiation Documentation  
Project Product Description  
Work Package  
Plan  
Product Description

#### **RECORDS**

Configuration item Records  
Daily Log  
Lessons Log  
Issue Register  
Quality Register  
Risk Register

#### **REPORTS**

Checkpoint Report  
End Project Report  
End Stage Report  
Exception Report  
Highlight Report  
Issue Report  
Lessons Report  
Product Status Account

**Appendix B.** Governance – comparing PRINCE2 to the APM governance

**Appendix C. Project Management Team Roles and responsibilities.**

**Appendix D. A Product-based planning example**

**Appendix E. PRINCE2 Health check**

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Okay, from memory, try to fill in as much information as you can about each element of PRINCE2, make as many attempts as you need. Again, don't worry if you can't remember 100% - I consider 80% as being excellent!

**Here are the main points of Starting Up a Project:**



Here are the main points of Initiating a Project:

Here are the main points of Directing a Project:

Here are the main points of Managing a Stage Boundary:

Here are the main points of Controlling a Stage:

Here are the main points of Managing Product Delivery:

Here are the main points of Closing A Project:

Here are the main points of The Business Case Theme:

Here are the main points of the Organization Theme:



Here are the main points of the Quality Theme:

Here are the main points of the Plans Theme:

Here are the main points of the Risk Theme:

Here are the main points of the Change Theme:

Here are the main points of the Progress Theme:

Here are the main points of Tailoring PRINCE2 to the project environment:

**Here are the main points of the Continued Business Justification Principle:**

**Here are the main points of the Learn from experience Principle:**

Here are the main points of the **Defined roles and responsibilities Principle**:

Here are the main points of the **Manage by stages Principle**:



**Here are the main points of the Manage by exception Principle:**

**Here are the main points of the Focus on products Principle:**

**Here are the main points of the Tailor to suit the project environment Principle:**

**List here, any areas you would want to revise further:**

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Kind Regards

*David Geoffrey Litten*