Minimum Requirements for Themes

Business Case

To be following PRINCE2, a project must, as a minimum:

- create and maintain a business justification for the project; usually a business case (PRINCE2's continued business justification principle)
- review and update the business justification in response to decisions and events that might impact desirability, viability or achievability of the project (PRINCE2's continued business justification principle)
- define the management actions that will be put in place to ensure that the project's outcomes are achieved and confirm that the project's benefits are realized (PRINCE2's continued business justification principle)
- define and document the roles and responsibilities for the business case and benefits management (PRINCE2's defined roles and responsibilities principle).

PRINCE2 requires that two products are produced and maintained for the business case theme:

- **Business case** Provides the costs, benefits, expected dis-benefits, risks and timescales against which viability is justified and continuing viability is tested. It is acceptable to use an alternative document such as a corporate business plan to replace the business case for part of the project lifecycle.
- **Benefits management approach** Defines the management actions that will be put in place to ensure that the project's outcomes are achieved and confirm that the project's benefits are realized.

Organization

To be following PRINCE2, a project must, as a minimum:

- define its organization structure and roles. This must minimally ensure that all of the responsibilities in PRINCE2's role descriptions are fulfilled (PRINCE2's defined roles and responsibilities principle)
- document the rules for delegating change authority responsibilities, if required
- define its approach to communicating and engaging with stakeholders.

PRINCE2 requires that two products are produced and maintained for the organization theme:

- **PID** In the context of the organization theme, this provides the single source of reference for how the project is to be managed. The PID sets out the project management team structure and roles.
- **Communication management approach** This describes the means and frequency of communication to stakeholders both internal and external to the project.

Both these products should be created during the initiating a project process.

Quality

To be following PRINCE2, a project must, as a minimum:

- define its quality management approach. This approach must minimally cover:
    - the project's approach to quality control
    - the project's approach to project assurance
    - how the management of quality is communicated throughout the project lifecycle
    - the roles and responsibilities for quality management (PRINCE2's defined roles and responsibilities principle)
- specify explicit quality criteria for products in their product descriptions (PRINCE2's focus on products principle)
- maintain records to provide evidence that the planned quality activities have been carried out, and summarize those activities that are planned or have taken place in some form of quality register
- specify the customer's quality expectations and prioritized acceptance criteria for the project in the project product description
- use lessons to inform quality planning, the definition of quality expectations and quality criteria (PRINCE2's learn from experience principle).

PRINCE2 requires that two products are produced and maintained:

- **Quality management approach** A quality management approach describes how quality will be managed on the project. This includes the specific processes, procedures, techniques, standards and responsibilities to be applied.
- **Quality register** A quality register is used to summarize all the quality management activities that are planned or have taken place, and provides information for the end stage reports and end project report.

Plans

To be following PRINCE2, a project must, as a minimum:

- ensure that plans enable the business case to be realized (PRINCE2's continued business justification principle)
- have at least two management stages: an initiation stage and at least one further management stage. The more complex and risky a project, the more management stages that will be required (PRINCE2's manage by stages principle)
- produce a project plan for the project as a whole and a stage plan for each management stage (PRINCE2's manage by stages principle)
- use product-based planning for the project plan, stage plans and exception plans. It may be optionally used for team plans. PRINCE2 recommends steps for product-based planning although alternative approaches may be used. PRINCE2 recommends steps for defining and analysing the products to produce a product breakdown structure, although alternative approaches may be used
- produce specific plans for managing exceptions (PRINCE2's manage by exception principle)
- define the roles and responsibilities for planning (PRINCE2's defined roles and responsibilities principle)
- use lessons to inform planning (PRINCE2's learn from experience principle).

PRINCE2 requires that four products are produced and maintained:

- **Project product description** A description of the overall project's output, including the customer's quality expectations, together with the acceptance criteria and acceptance methods for the project. As such it applies to a project plan only.
- **Product description** A description of each product's purpose, composition, derivation and quality criteria.
- **Product breakdown structure** A hierarchy of all the products to be produced during a plan.
- **Plan** Provides a statement of how and when objectives are to be achieved, by showing the major products, activities and resources required for the scope of the plan. In PRINCE2, there are three levels of plan: project, stage and team. In addition, PRINCE2 has exception plans, which are created at the same level as the plan they are replacing.

PRINCE2 recommends, but does not require, that an additional product is created and maintained: the product flow diagram. This is a diagram showing the sequence of production and interdependencies of the products listed in a product breakdown structure.

Risk

To be following PRINCE2, a project must, as a minimum:

- define its risk management approach, which must minimally cover:
    - how risks are identified and assessed, how risk management responses are planned and implemented and how the management of risk is communicated throughout the project lifecycle
    - assessing whether identified risks might have a material impact on the business justification of the project (PRINCE2's continued business justification principle)
    - the roles and responsibilities for risk management (PRINCE2's defined roles and responsibilities principle)
- maintain some form of risk register to record identified risks and decisions relating to their analysis, management and review
- ensure that project risks are identified, assessed, managed and reviewed throughout the project lifecycle
- use lessons to inform risk identification and management (PRINCE2's learn from experience principle).

PRINCE2 requires that two products are produced and maintained:

- **Risk management approach** Describes how risk will be managed on the project. This includes the specific processes, procedures, techniques, standards and responsibilities to be applied.
- **Risk register** Provides a record of identified risks relating to the project, including their status and history. It is used to capture and maintain information on all the identified threats and opportunities relating to the project.

Both of these products should be created during the initiating a project process. The risk management approach should be reviewed and possibly updated at the end of each management stage. The risk management approach will define how and when the risk register is reviewed and updated.

Change

To be following PRINCE2, a project must, as a minimum:

- define its change control approach. This approach must minimally cover:
  - how issues are identified and managed
  - assessing whether identified issues might have a material impact on the business justification of the project (PRINCE2's continued business justification principle)
  - the roles and responsibilities for change control (PRINCE2's defined roles and responsibilities principle), including a defined change authority
- define how product baselines are created, maintained and controlled
- maintain some form of issue register to record identified issues and decisions relating to their analysis, management and review
- ensure that project issues are captured, examined, managed and reviewed throughout the project lifecycle
- use lessons to inform issue identification and management (PRINCE2's learn from experience principle).

PRINCE2 requires that the following products are produced and maintained:

- **Issue register** Captures and maintains information on all the issues that are being formally managed.
- **Change control approach** Identifies how, and by whom, the project's products will be controlled and protected.

If the issue register does not contain sufficient detail (e.g. for the options appraisal, recommendation and decision), then a separate issue report can be used but this is an optional management product.

Progress

To be following PRINCE2, a project must, as a minimum:

- define its approach to controlling progress in the PID
- be managed by stages (PRINCE2's manage by stages principle)
- set tolerances and be managed by exception against these tolerances (PRINCE2's manage by exception principle)
- review the business justification when exceptions are raised (PRINCE2's continued business justification principle)
- learn lessons (PRINCE2's learn from experience principle).

PRINCE2 provides progress control through:

- delegating authority from one level of management to the level below it
- dividing the project into management stages and authorizing the project one management stage at a time (PRINCE2's manage by stages principle)
- time-driven and event-driven progress reporting and reviews
- raising exceptions (PRINCE2's manage by exception principle).

The project's controls should be documented in the PID.

Processes These describe a step-wise progression throughout the project lifecycle. The purpose of these themes is to:	Themes Aspects of project management that must be addressed continually and in parallel throughout the project. The purpose of these themes is to:	Principles Guiding obligations and good practices which determine whether a project is genuinely being managed using PRINCE2
Starting up a Project (SU) Ensure that the prerequisites for initiating a project are in place by answering the question: Do we have a viable and worthwhile project?	**Business case: WHY?** Establish mechanisms to judge whether the project is (and remains) desirable, viable and achievable as a means to support decision making in its (continued) investment	**Continued business justification** A PRINCE2 project has continued business justification
Directing a Project (DP) Enable the PB to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the PM	**Organization: WHO?** Define and establish the project's structure of accountability and responsibilities	**Learn from experience** PRINCE2 project teams learn from experience: lessons are sought, recorded and acted upon throughout the life of the project
Initiating a Project (IP) Establish solid foundations for the project, enabling the organization to understand the work that needs to be done to deliver the project's products before committing to a significant spend	**Quality: WHAT?** Define and implement the means by which the project will verify that products that are "Fit for purpose"	**Defined roles and responsibilities** A PRINCE2 project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests
Controlling a Stage (CS) Assign work to be done, monitor such work, deal with issues, report progress to the PB and take corrective actions to ensure that the management stage remains within tolerance	**Plans: WHERE? HOW? BY WHOM? HOW MUCH? WHEN?** Facilitate communication and control by defining the means of delivering the products	**Manage by stages** A PRINCE2 project is planned, monitored and controlled on a stage-by-stage basis
Managing Product delivery (MP) Control the link between the PM and TM(s), by agreeing the requirements for acceptance, execution and delivery	**Risk: WHAT IF?** Identify, assess and control uncertainty and as a result, improve the ability of the project to succeed	**Manage by exception** A PRINCE2 project has defined tolerances for each project objective, to establish limits of delegated authority
Managing a Stage boundary (SB) Enable the PM to provide PB with sufficient information to be able to review the success of the current stage, approve the next stage plan, review the updated project plan and confirm continued business justification and acceptability of the risks	**Change: WHAT's THE IMPACT?** Identify, assess and control any potential and approved changes to the project baselines	**Focus on products** A PRINCE2 project focuses on the definition and delivery of products, in particular their quality requirements
Closing a Project (CP) Provide a fixed point at which acceptance for the project product is confirmed, and to recognize that objectives set out in the original PID (or approved changes to the objectives) have been achieved or that the project has nothing more to contribute	**Progress: WHERE ARE WE NOW? WHERE ARE WE GOING? SHOULD WE CARRY ON?** Establish mechanisms to monitor and compare actual achievements against those planned, provide a forecast for the project objectives and the project's continued Viability, and control any unacceptable deviations	**Tailor to suit the project's environment** A PRINCE2 project is tailored to suit the project environment, size, complexity, importance, team capability and risk

Project Mandate
An external product generated by the authority commissioning the project that forms the trigger for Starting up a project

Management Products

Baseline Management products **products are those that define aspects of the project and, once approved, are subject to change control.**

Benefits Management Approach
A plan that defines the benefits management actions and benefits reviews that will be put in place to ensure that the project's outcomes are achieved and to confirm that the project's benefits are realized.

Business Case
The justification for an organizational activity (project), which typically contains timescales, costs, benefits and risks, and against which continuing viability is tested.

Communication Management Approach
A description of the means and frequency of communication between the project and the project`s stakeholders.

Change Control Approach
A description of how and by whom the project`s products will be controlled and protected.

Plan (covers Projects, Stage, Team and Exception plans)
A detailed proposal for doing or achieving something which specifies the what, when, how and by whom it will be achieved.

Product description
A description of a product´s purpose, composition, derivation and quality criteria.

Project brief
A statement that describes the purpose, cost, time and performance requirements, and constraints for a project.

Project Initiation documentation
A logical set of documents that brings together the key information needed to start the project on a sound basis and that conveys the information to all concerned with the project.

Project Product description
A special type of Product Description used to gain agreement from the user on the project`s scope and requirements, to define the customer`s quality expectations, and to define the acceptance criteria for the project.

Quality Management Approach
An approach defining the quality techniques and standards to be applied, and the various responsibilities for achieving the required quality levels, during a project.

Risk Management Approach
An approach describing the goals of applying risk management, as well as the procedure that will be adopted, roles and responsibilities, risk tolerances, the timing of risk management interventions, the tools and techniques that will be used, and the reporting requirements.

Work Package
The set of information relevant to the creation of one or more products.

Records are dynamic management products that maintain information regarding project progress.

Configuration Item Record
A record that describes the status, version and variant of a configuration item, and any details of important relationships between them.

Daily Log
Used to record problems/ concerns that can be handled by the Project Manager informally.

Issue Register
A register used to capture and maintain information on all issues that are being managed formally.

Lessons Log
An informal repository for lessons that apply to this project or future projects.

Quality Register
A register containing summary details of all planned and completed quality activities.

Risk Register
A record of identified risks relating to an initiative, including their status and history.

Reports are management products providing a snapshot of the status of certain aspects of the project.

Checkpoint Report
A progress report of the information gathered at a checkpoint, which is given by a team to the Project Manager and which provides reporting data as defined in the Work Package.

End Project Report
A report given by the Project Manager to the Project Board, that confirms the handover of all products and provides an updated Business Case and an assessment of how well the project has done against the original Project Initiation Documentation.

End Stage Report
A report given by the Project Manager to the Project Board at the end of each management stage of the project. This provides information about the project's performance during the management stage and the project status at the management stage end.

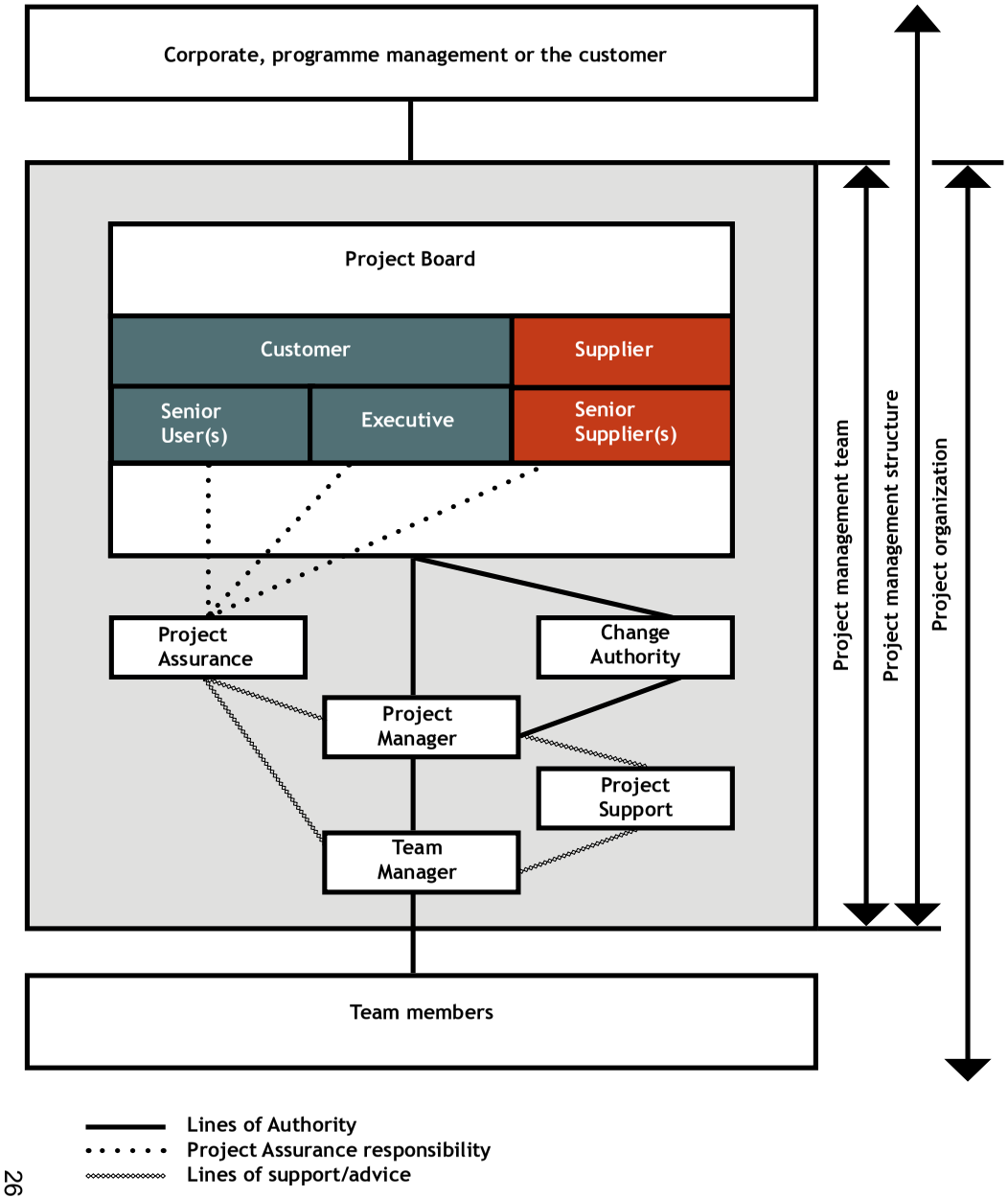
Exception Report
A description of the exception situation, its impact, options, recommendation and impact of the recommendation.

Highlight Report
A time-driven report from the Project Manager to the Project Board on stage progress.

Issue Report
A report containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/ concern.

Lessons Report
A report that documents any lessons that can be usefully applied to other projects.

Product Status Account
A report on the status of products.



Executive
The single individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. The Executive is the chair of the Project Board.

Senior User
The Project Board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.

Senior Supplier
The Project Board role that provides knowledge and experience of the main discipline(s) involved in the production of the project`s deliverable(s).

Project Assurance
The Project Board`s responsibilities to assure itself that the project is being conducted correctly.

Change Authority
A person or group to which the Project Board may delegate responsibility for the consideration of request for change and off-specifications.

Project Manager
The person given the authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the Project Board.

Team Manager
The person responsible for the production of those products allocated by the Project Manager (as defined in a Work Package) to an appropriate quality, timescale and at a cost acceptable to the Project Board. If a Team Manager is not assigned, then the Project Manager undertakes the responsibility of the Team Manager role.

Project Support
Project Support can be in the form of advice and help with project management tools, guidance, administrative services such as filing, and the collection of actual data.

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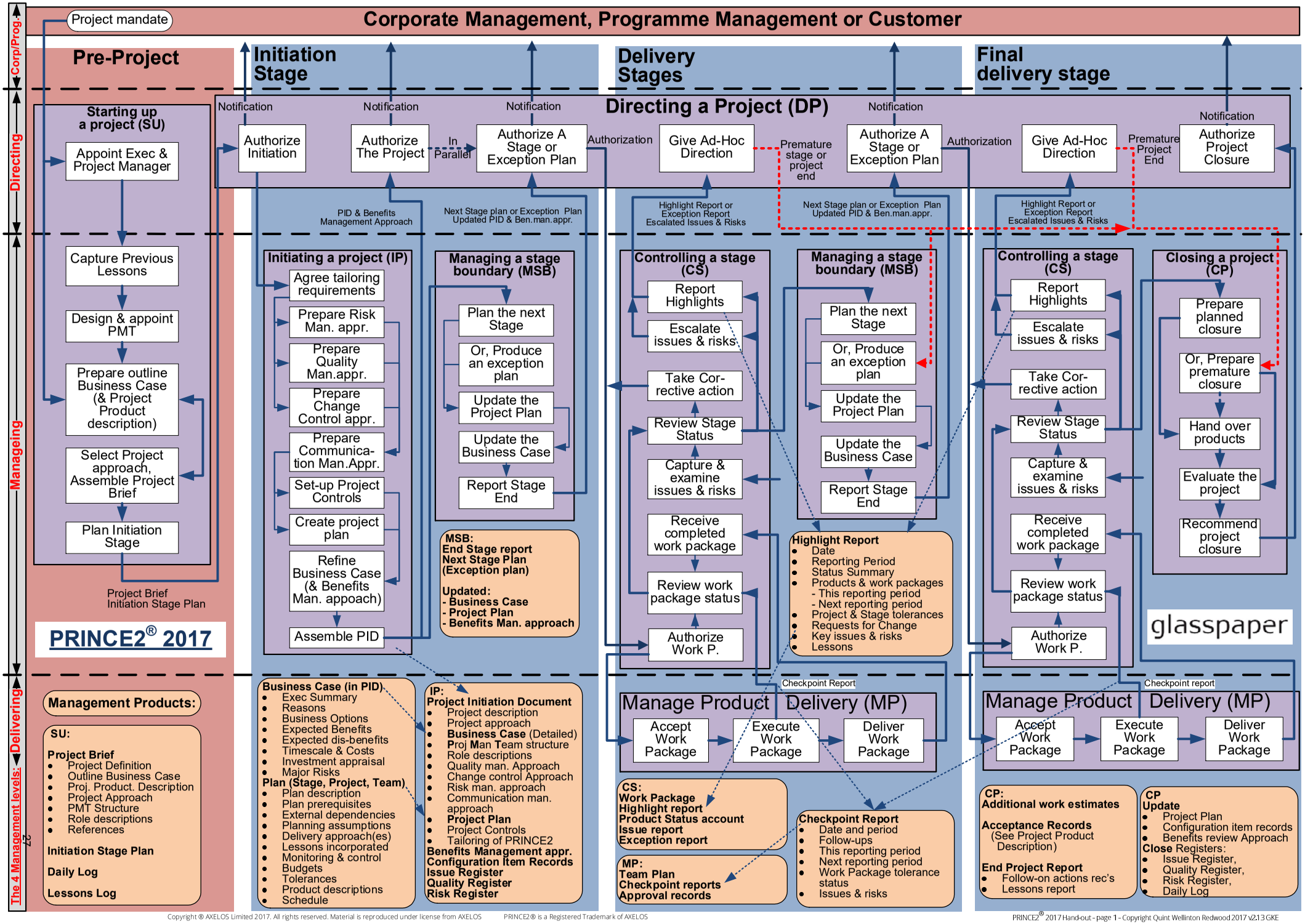
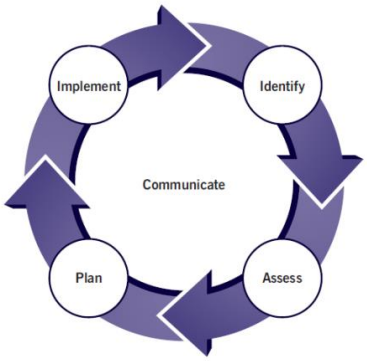


Theme Risk

The Risk Management Procedure:

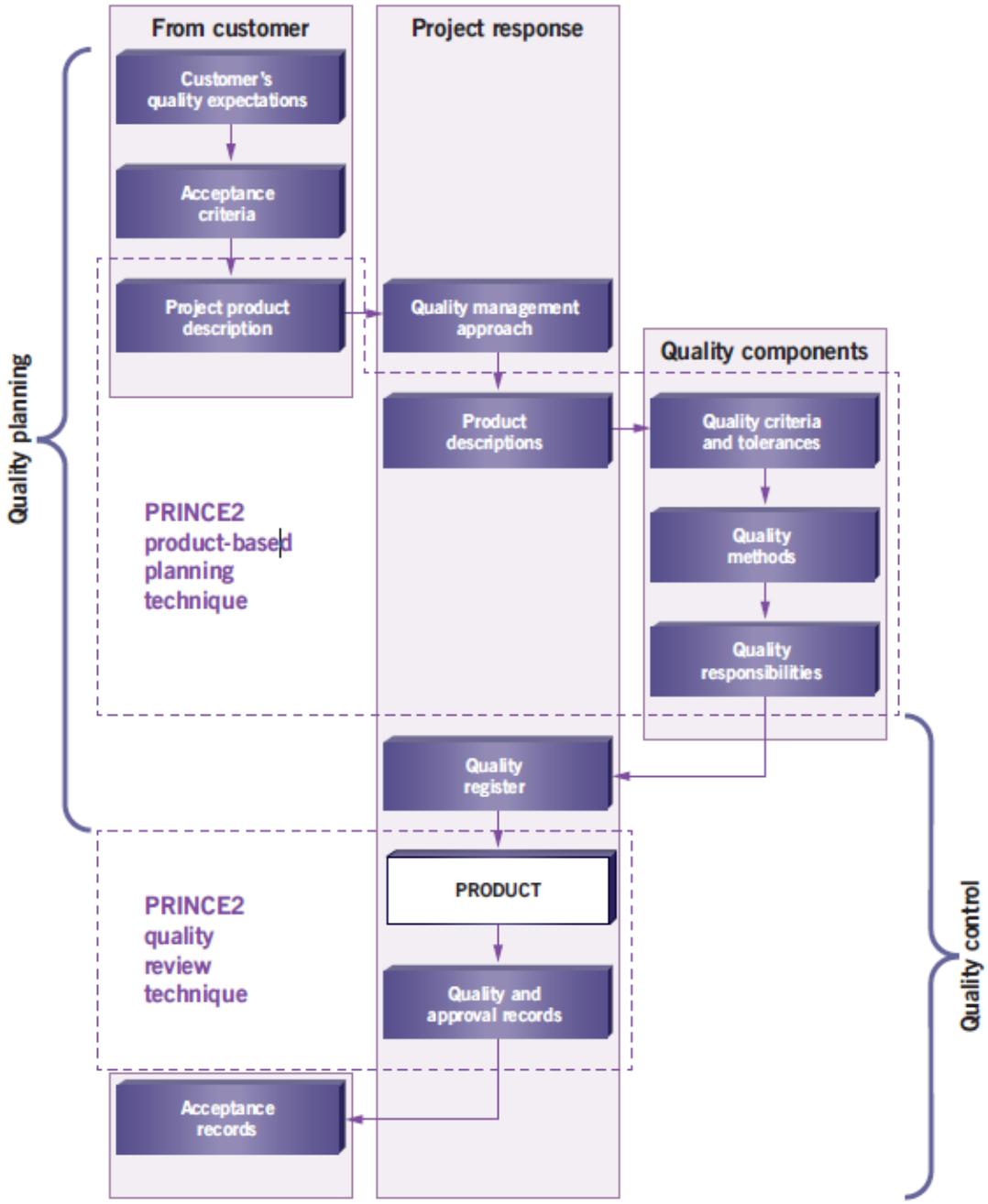


Risk Responses:

Response options	Use
Avoid a threat Exploit an opportunity	This option is about making the uncertain situation certain by removing the risk. This can often be achieved by removing the cause of a threat, or by implementing the cause of an opportunity. This option may be adopted for no extra cost by changing the way the work is planned. More often though, costs will be incurred in order to remove all residual risk for threats and opportunities. Where costs are incurred these must be justified (i.e. the cost of response is warranted to make the situation certain).
Reduce a threat Enhance an opportunity	This option involves definite action now to change the probability and/or the impact of the risk. The term 'mitigate' is relevant when discussing reduction of a threat (i.e. making the threat less likely to occur and/ or reducing the impact if it did). Enhancing an opportunity is the reverse process (i.e. making the opportunity more likely to occur and/or increasing the impact if it did). Again, because this option commits the organization to costs for reduction/ enhancement now, response costs must be justified in terms of the change to residual risk.
Transfer the risk (threat or opportunity)	Transfer is an option that aims to pass part of the risk to a third party. Insurance is the classic form of transfer, where the insurer picks up the risk cost, but where the insured retains the impact on other objectives (e.g. time delay). Transfer can apply to opportunities, where a third party gains a cost benefit but the primary risk taker gains another benefit, but this is not a commonly used option whereas transfer of threats is commonly used. Once again, the cost of transference must be justified in terms of the change to residual risk; is the premium to be paid worth it? It is important to note that some elements of risk cannot be transferred, although an organization may choose to delegate the management of the risks to a third party.
Share the risk (threat or opportunity)	Share is an option that is different in nature from the transfer response. It seeks multiple parties, typically within a supply chain, to share the risk on a pain/gain share basis. Rarely can risks be entirely shared in this way (for example, the primary risk taker will always need to protect its brand and reputation), but this can be a successful way of encouraging collaboration on risk management activities, particularly in programmes and projects.
Accept the risk (threat or opportunity)	The accept option means that the organization 'takes the chance' that the risk will occur, with its full impact if it did. There is no change to residual risk with the accept option, but neither are any costs incurred now to manage the risk, or to prepare to manage the risk in future. An example would be the risk to profitability as a result of currency fluctuations. An organization may decide to take the chance and not engage in any hedging or other provision to protect margins from wide variation in rates. This option would not be appropriate if the risk exposure exceeded the risk tolerance threshold for the organizational activity in question. Note that in a case such as currency fluctuations where the impact could be positive or negative, this is actually two risks, because a risk is the relationship between the uncertain event and the impact of that event. There is a risk leading to loss and a risk leading to gain. Framing the uncertainty as two risks allows for different responses to each part.
Prepare contingent plans (threat or opportunity)	This option involves preparing plans now, but not taking action now. Most usually associated with the accept option, preparing contingent plans in this instance is saying: 'We will accept the risk for now, but we'll make a plan for what we'll do if the situation changes.' This option applies equally to other responses and is often referred to as a 'fallback' plan (i.e. what we will do if the original response does not work). Fallback plans apply to all other strategies, even avoiding a threat and exploiting an opportunity, because the plan to avoid/exploit may not be successful despite good intentions. This option is important because it incorporates future managerial flexibility for a committed cost that is smaller than investing in more proactive strategies. This does not mean that investing now to respond to a risk is wrong, but such investments do need to be cost-justified as previously mentioned.

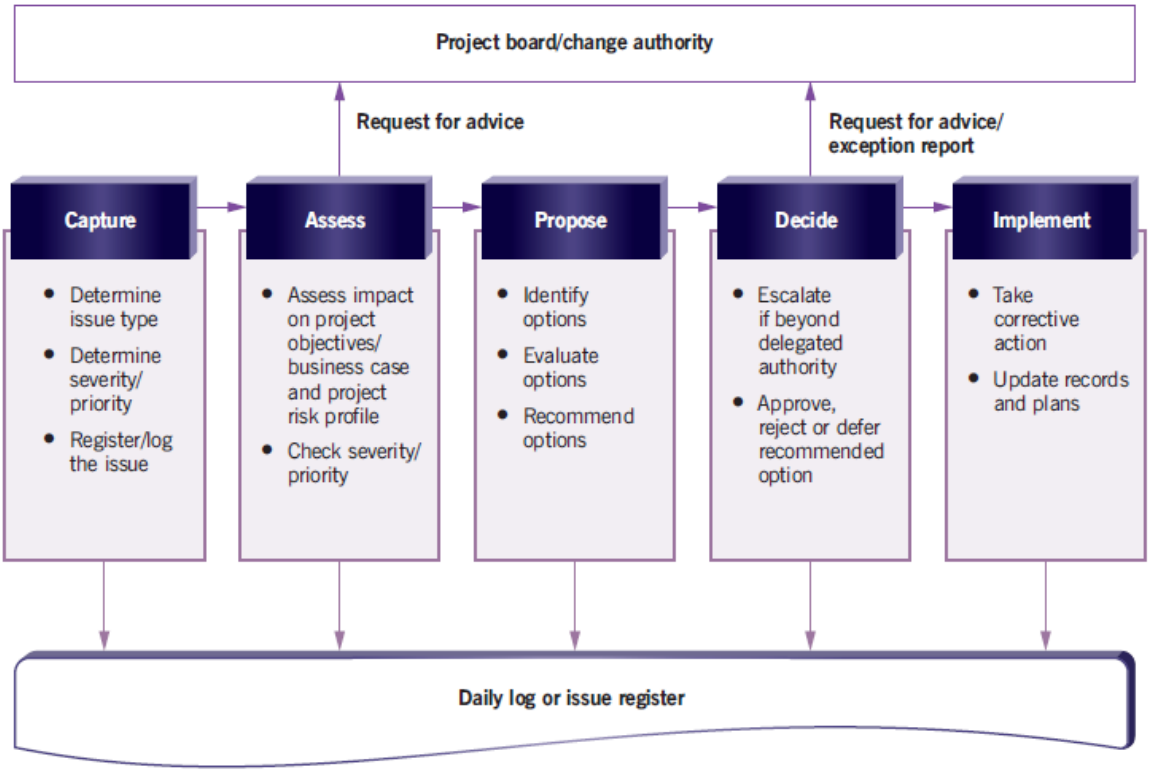
Theme Quality

Quality Audit Trail:



Theme Change

Issue and Change Control Procedure:

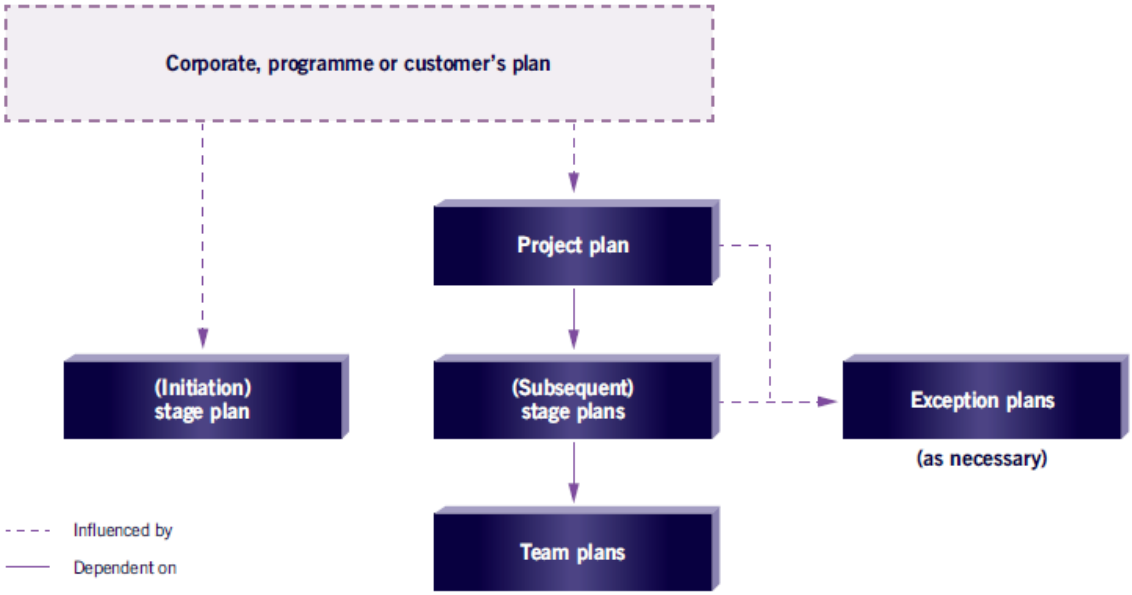


Project Board Decisions:

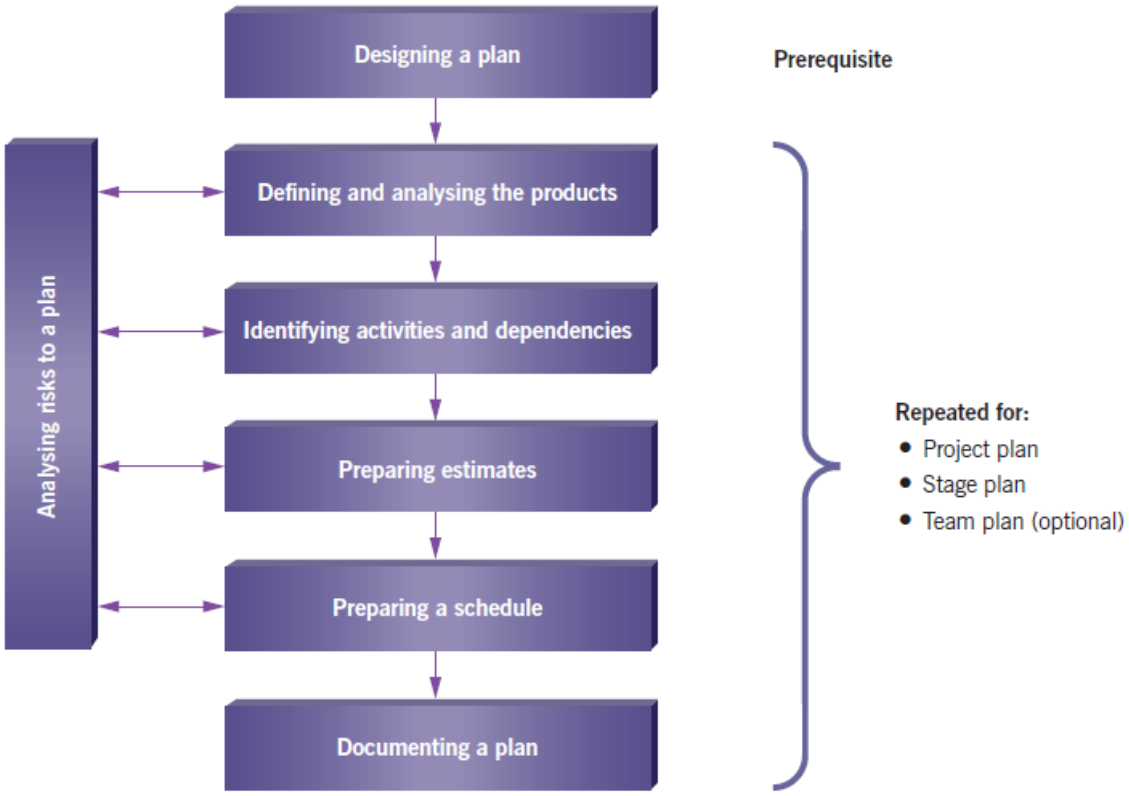
Request	Project board (or change authority) response	Considerations
Request for change	Approve the change. Reject the change. Defer decision. Request more information. Ask for an exception plan (if the request for change cannot be implemented within the limits delegated to the change authority).	If a request for change involves extra cost, there are three principal ways to fund it: ● use the change budget (if being used and of sufficient size) ● request that corporate, programme management or the customer increase the project budget ● de-scope other elements of the project. Tolerance should not be used to fund requests for change.
Off-specification	Grant a concession. Instruct that the off-specification be resolved. Defer decision. Request more information. Ask for an exception plan (if the concession cannot be granted within the limits delegated to the change authority).	The project board may decide to accept the off-specification without immediate corrective action. This is referred to as a concession. When a product is granted a concession, the product description will need to be revised before the product is handed over to the user.
Problem/concern	Provide guidance to enable the project manager to solve the problem. Ask for an exception plan.	Could the problem/concern be resolved by relaxing the stage tolerances?

Theme Plan

How PRINCE2´s plans relate to each other:



PRINCE2's recommended approach to product-based planning:



PRINCE2's recommended approach to defining and analysing the products: