



# PRINCE2® Passport

## PRINCE2® Primer



### PRINCE2® PRIMER

#### Introduction – What is PRINCE2?

PRINCE2® (Projects in a Controlled Environment) is a structured project management method that can be applied regardless of project scale, type, organization, geography or culture. It is one of the most widely accepted methods for managing projects worldwide. It isolates the management aspects of project work from the specialist contributions, such as design, construction etc which are easily integrated with the PRINCE2® method. This provides a secure framework for any type of project across multiple areas of business activity such as business change, construction, IT, mergers and acquisitions, research and product development.

#### So, what is a Project?

\*PRINCE2® defines a **project** as being...

*“A temporary organization that’s created for the purpose of delivering one or more business products according to an agreed Business Case”. (\* Source: Managing Successful Projects with PRINCE2® 2017 Ed.)*



### Benefits and Features

There are many benefits of using PRINCE2® to manage projects, but primarily it:

- ensures that project management is focused on the continuing viability of the project in relation to its Business Case
- involves senior management in the project at the right time and in the right place
- focuses on Products which provides clarity for all parties involved on what the project must deliver, why, when by whom and for whom
- facilitates controls at all levels
- makes the project's progress more visible to management
- provides a communication medium for all project staff
- ensures that work progresses in the correct sequence
- allows the project to be stopped and, if required, re-started completely under management control, at any time in the project's life
- has a well established User Group dedicated to the support, promotion and strengthening of the method.

PRINCE2® is an integrated framework of **Processes** and **Themes** which address the planning, delegation, monitoring and control of the six variables involved in *any* project, those of Costs, Timescales, Quality, Scope, Risk and Benefits.

PRINCE2® also consists of a set of **Principles** as well as guidance on tailoring to the '**Project Environment**'. The 'Principles', 'Themes', 'Processes' and '**Project Environment**' are what make up the **four main integrated elements** of PRINCE2, which are covered in the following section.



### PRINCE2® Integrated Elements: Principles, Themes, Processes and the Project Environment

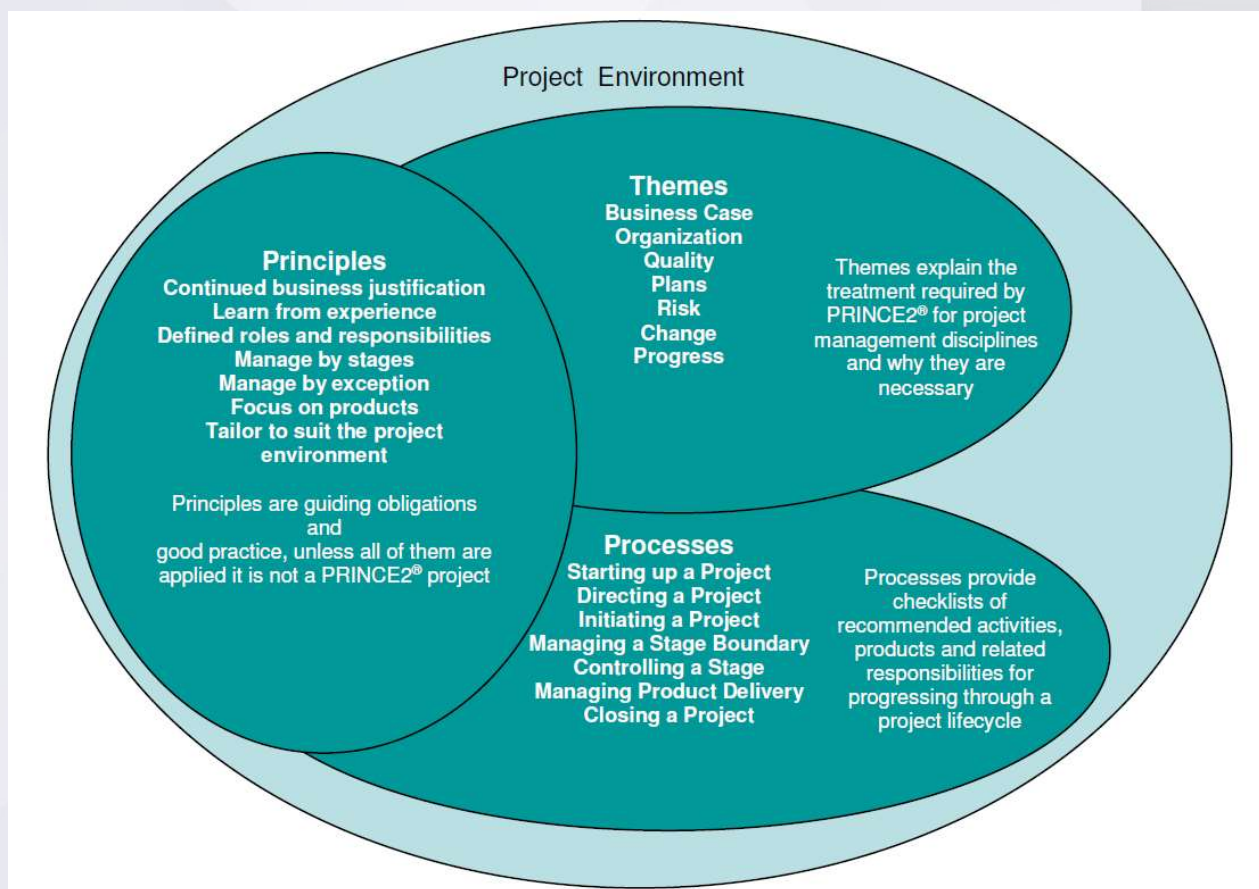


Figure 1 - Principles, Themes, Processes and Project Environment



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### PRINCE2® Principles

PRINCE2® is based on a set of seven principles that originate from lessons learned from projects both good and bad. If any of these principles are not applied to a project then it cannot be said to be managed using PRINCE2®. These principles are as follows:

#### **Continued business justification**

It is a PRINCE2® requirement that the justification for a project is documented in a Business Case, and if that justification is no longer valid then the project should be stopped.

#### **Learn from experience**

Because projects are unique and involve a temporary organization for a finite timescale they are often challenging as the team may not have had any previous experience of the management of the work involved. Lessons are sought from previous or similar projects, both internal to the organization and external experience. The project should continue to learn as it progresses and at the end of the project it should pass on lessons.

#### **Defined roles and responsibilities**

PRINCE2® roles and responsibilities engage business, user and supplier stakeholder interests. Within PRINCE2®, responsibilities are defined in terms of roles, rather than individuals. Assignment of roles to individuals is a decision for each project to take, and the same individual may be assigned to more than one role or to different roles at different stages of the project.

The organization and effective use of people assigned to manage a project need to be considered from the view point both of their specialist skills and their individual personalities. Responsibilities need to be defined within a team structure to ensure that management is both efficient and responsive.

#### **Manage by stages**

A PRINCE2® project is divided into a number sequential sections, called management stages, each forming a distinct unit for management purposes. Like the project, a stage is driven by a series of processes, has a defined set of products and activities, a finite lifecycle, control elements, and an organization structure. The delivery of these products, to the agreed quality standards, marks the completion of the management stage. In PRINCE2®, the *minimum* number of management stages is two (one for the initiation stage and at least one further management stage to cover the remainder of the project).





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### **Manage by exception**

PRINCE2® uses defined tolerances set against each of the six performance aspects of Time, Cost, Quality, Scope, Risk and Benefit to clearly define accountability at each level of the project management team. Exceptions occur when any of these 6 aspects are forecast to be exceeded, which would then see such events needing to be escalated to the next level of management.

### **Focus on products**

PRINCE2® focuses on the definition and delivery of products, in particular their quality requirements, and recognizes that successful projects are output-orientated and not activity-orientated. An output-orientated project agrees and defines the project's product *before* identifying and undertaking the activities to produce it. PRINCE2® uses product descriptions to make sure there is an explicit understanding of the product's purpose, composition, derivation, format, quality criteria and quality method. These then provide the means to determine effort estimates, resource requirements, dependencies and activity schedules.

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

PRINCE2® is designed to be tailored to suit the project's environment, size, complexity, importance, capability and risk. For each organization and each project, the Project Manager and Project Board make a decision on how and how much the method will be applied. PRINCE2® requires management information, which may or may not be in the form of documents. PRINCE2® also requires decisions which may or may not be made within meetings. Project controls should be appropriate to the project's scale, complexity, importance, team capability and risk (e.g. the frequency and formality of reports and reviews).



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### PRINCE2® Themes

The PRINCE2® themes describe aspects of project management that need to be continually addressed. The strength of PRINCE2® lies in the way that the seven themes are integrated; they are carefully designed to link together effectively. The themes are used throughout the processes to give more detailed guidance on the common aspects of project management that are found in any PRINCE2® project.

All seven themes must be applied but can be tailored according to scale, nature and complexity of the project concerned. The seven PRINCE2® themes are as follows:

Description	Answers	Explanation
Business Case	Why?	This theme addresses how an idea that could have value for the organization is considered and developed into a viable business proposition. It also explains how project management should maintain focus on the business objectives throughout the project. It ensures that a project without a sound business case is not started, and why projects should be stopped if the business case is no longer viable.
Organization	Who?	This theme describes the roles and responsibilities that are required to manage a project effectively. These roles are separate from day-to-day line management. Roles can be shared and combined, within constraints, to suit the needs of each project, but all responsibilities must be fulfilled.
Quality	What?	This theme explains how an initial idea is developed so that all participants understand the quality aspects of the products to be delivered. It also explores how the Project Manager ensures quality is planned, controlled and delivered to the required standards and to the customer's expectations.
Plans	How? How Much? When?	This theme describes the steps required to develop credible plans and how the PRINCE2® approach of product-based planning should be applied. Plans are the focus of communication and control as the project proceeds. It ascertains whether the performance targets of time, cost, quality, scope, benefits and risk <i>are</i> achievable.



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<b>Risk</b>	What if?	This theme addresses how project management identifies, assesses and manages the uncertainties in its plans and in the wider project environment.
<b>Change</b>	What's the impact?	This theme describes how project management assesses the potential impact of issues and changes on any of the project's performance targets and tolerances of Time, Cost, Quality, Scope, Risk and Benefits. Issues can be problems/concerns, requests for change or off-specifications, raised by anyone with an interest in the project.
<b>Progress</b>	Where are we now? Where are we going?	This theme explains the decision-making process for approving plans, the monitoring of actual performance against the plan, and the means of escalating events that do not go according to plan. This enables the Project Board to determine whether the project should proceed or not.

**Table 1 - Themes**



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### PRINCE2® Processes

PRINCE2® uses a 'process-based' approach to project management. There are seven processes in PRINCE2® which provide the set of activities, management products and responsibilities required to direct, manage and deliver a project successfully through its lifecycle.

Processes	Explanation
<b>Starting Up a Project (SU)</b>  Pre-Project  (For Managing)	Establishes the project's objectives and approach to the project; designs and appoints the project management team; captures lessons from previous or external projects and plans the initiation stage. A description of the end product is created and an outline business case is prepared which looks to answer the question "do we have a worthwhile and viable project?"
<b>Directing a Project (DP)</b>  Runs from completion of Starting Up a Project through to the final stage  (For Direction)	The Project Board sets direction and makes key decisions throughout the life of the project. This process is "owned" by the Project Board and provides authorisation for work to be carried out and resources to be committed for each management stage. It authorises project initiation, each subsequent management stage, project closure and, in some cases, its premature termination. The Project Board can also give informal and formal advice on issues and risks that arise throughout the life of the project.
<b>Initiating a Project (IP)</b>  Initiation Stage  (For Managing)	This process plans the entire project at high-level, establishes the project management approaches for risk, quality, communication and change control, as well as project controls. It develops a robust and detailed business case and a means of reviewing benefits realization. The process assembles all the project information into the project initiation documentation (PID).





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<b>Managing a Stage Boundary (SB)</b>  Initiation Stage and subsequent stage(s) (except the final stage)  (For Managing)	During the initiation stage and at the end of each subsequent management stage (except the final one), this process is used to plan the next management stage in detail. It reports on the achievements of the current management stage and the impact on the overall project plan and business case. Plans for the next management stage (showing the products, activities, resource requirements, etc) are put together ready for the Project Board's assessment. Exception plans are also produced when requested by the Project Board.
<b>Controlling a Stage (CS)</b>  Subsequent stage(s) and the final stage  (For Managing)	This is the day-to-day project management process for each management stage, after initiation. It covers: authorising work to create or change products, collecting and reflecting "actuals" to assess <i>actual</i> progress against the plan/tolerances and the reporting of progress to the Project Board. It captures and examines any issues and proposed changes and escalates these, where appropriate, to the Project Board.
<b>Managing Product Delivery (MP)</b>  Subsequent stage(s) and the final stage  (For Delivering)	This is where the main "development work" for the project happens, and where the majority of resources are consumed. This process focuses on the creation of the <i>specialist</i> products; regular progress (via checkpoint reports) is provided to the Project Manager and the quality methods defined in each specialist product's product description are implemented in order that the products are adequately built, quality checked/tested/reviewed and subsequently approved.
<b>Closing a Project (CP)</b>  During the final stage  (For Managing)	This includes the activities for closing the project in an orderly way. Acceptance for the project product is confirmed and the projects products are handed over to the customer/user. Any activities required to review benefits that have not yet been realised are documented in the benefits management approach, ready for post-project benefit reviews. The end project report is prepared to include a review of the business case, the projects objectives and team performance against the original version of the PID. A summary of any follow-on action recommendations is created, and lessons are created to be passed on for future reference.

Table 2 - Processes



### Project Environment (Tailoring PRINCE2®)

Tailoring refers to the appropriate use of PRINCE2® on any given project, ensuring that there is the correct amount of planning, control, governance and use of the processes and themes required. The method is a web of interlinking parts, as described above, (e.g. themes, processes and principles), which means if any elements are omitted then the project management for the project is weakened, putting the success of the project 'at risk'.

The goal is to **adapt** the method by applying a level of project management that's appropriate, does not overburden the project, but provides the right level of control given the environment within which the project is implemented, based on the project's scale, complexity, importance, team capability and risk. Note however that it's the themes, processes, roles, management products and terminology which should be tailored, NOT the principles.