Pre-Course Reading for the

PRINCE2™
Foundation & Practitioner Events

Accredited PRINCE2™ Event
UKAS/APMG Certificate 001

HO0302_1v3
January 2006

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Pre-course Reading for the PRINCE2™ Foundation and Practitioner Events

This pack has been assembled to help you prepare for the PRINCE2™ Foundation and/or Practitioner Events which you have booked. The PRINCE2™ Method is quite straightforward once you understand its basic principles, and reading through the material provided in this document will help you get the most out of the training event.

Your pre-course work is in three parts:

Part 1 will be found in this document and is an overview of the PRINCE2™ Method which you should read first to help 'set the scene'. Try not to get too tied up with the terminology and structure of the method when reading the overview - the aim is to give you a high level view of what the method contains and how the Processes, Components and Techniques relate.

Part 2 is to look through the PRINCE2™ reference manual. This is the 'official' method manual published by The Stationery Office and *all* the questions in the examinations are based on its content. You need to be familiar with the structure and content of the PRINCE2™ Manual if you are to understand the method to a standard that will enable you to take and pass the examinations. Pay particular attention to the Introduction to the Method chapter and try to be able to locate the key elements without having to refer to the Contents Pages and Index. The main sections you need to read and focus on are:

- *PRINCE2™ Major Processes and Sub-Processes*

- *PRINCE2™ Components (especially Organisation, Quality, Business Case and Risk Management*

- *PRINCE2™ Techniques especially Product-Based Planning and the Quality Review Technique*

- *The Product Description Outlines (Appendix A) – read each one, focus on the Project Mandate, Project Brief, Project Approach, Project Initiation Document, Acceptance Criteria, Highlight & Checkpoint Reports, Work Package, End Project Report and Product Description.*

You should review the full content of the PRINCE2™ Manual. The main aim is to understand the layout/structure of the Manual so that you will be able to find your way around it easily during both the event and Practitioner examination (Foundation exam is 'closed-book')!

<u>**Part 3**</u> is contained on the enclosed CD. It contains a number of useful Examination Assistants to help you prepare for both the course and the examinations. In particular, 'VisaGOLD' is a database of Foundation exam questions and a document on the CD called 'Key Learning Points' contains fundamental information in an easy to read bulleted format. **These will help you prepare for the Foundation Exam.**
'VisaSURE' provides some useful preparation material for the Practitioner Exam. The illustrative answer provided on the CD should be evaluated for its structure as well as its content. You should 'dip' into 'VisaGOLD', 'Key Learning Points' and 'VisaSURE' regularly during the run-up to the training course; **the more effort you put into preparation the more you'll get out of the course and the better chance you'll have of passing the exams.**

All delegates should allow sufficient time to study the PRINCE2™ Manual prior to joining the course. A study guide, covering the ten days before your training course, is included in this pack. Feedback from delegates attending the course has confirmed that following the study guide was beneficial.

The Examinations

The examination structure is as follows:

<u>**Foundation Examination**</u> – *75 Questions with multiple choice answers. This is a one hour, 'closed-book' examination where you need to score 50% (38 marks) or more to pass. You need to pass this examination in order to take the Practitioner Examination on Friday morning; you will take the Foundation examination on Wednesday afternoon and your paper will be marked early Wednesday evening.*

You should be confident of passing this exam as the course is geared to teaching you the PRINCE2™ Method and it is your knowledge of PRINCE2™ that is being measured. SPOCE has an excellent track record of success in the Foundation exam.

<u>**Practitioner Examination**</u> – *a three hour, 'open-book' exam comprising **one** project management scenario with three main questions, often broken up into sub-questions within each. You may bring anything, other than 'electronic' reference material, into this examination; this includes any pre-course work you undertake and **all** course documentation. The Practitioner examination paper is marked by APM Group examiners and results will be available about eight weeks after completing the exam. The Practitioner exam will be held Friday Morning at 09.00. There is an additional fifteen minutes of reading time just prior to the three hour examination for the purpose of reading the scenario and the questions and making rough notes. You will be free to leave the examination room when all the papers have been collected by the Invigilator. On our open courses, lunch (restaurant or packed) is provided at 13:00. You will be free to leave after about 12.45 on the Friday.*

Success in the Practitioner depends on your ability to analyse the project management situation presented to you and identify suitable actions, based around the PRINCE2™ method, within the time allowed. The course will cover examination techniques and help to identify the key points behind the main PRINCE2™ elements, but you will need to already possess basic analysis and writing skills.

In Conclusion...

If you spend time preparing for the course you will be able to gain the maximum benefit from the examination preparation course and approach the actual examinations with confidence.   You will by now appreciate the amount of preparatory work that you will need to put in before attempting the examinations; please do not under-estimate the challenge imposed by the Practitioner examination – at present our overall pass rate is in excess of 80%. Most low marks arise from failure to answer the questions as asked, lack of depth and breadth in an answer, poor time management and, where appropriate, failure to relate your answers to the scenario. The APMG examiners are also critical of answer scripts which fail to explain ***why*** a particular situation needs to be addressed and ***why*** a recommended course of action will help. An excellent understanding of the Method and the structure of the PRINCE2™ Manual will help on all these counts!

SPOCE Delivery Team
January 2006

Study Guide

Start your preparation at least two weeks before you attend the training course. If you leave your preparation too late you will need to work much harder immediately before and during the training course. You will find it useful to use the following 'countdown' to focus your preparation:

Timing	Activity	Comments
On receipt of your pre-event pack or Event minus 10 days	Familiarise yourself with all the preparation materials. You will have the PRINCE2™ reference manual, this Pre-course Preparation spiral bound booklet and an Event Preparation CD. In addition you will have joining instructions – check the dates, timings and whether you need to book into a hotel the night before the course starts.	If you think anything is missing from the pack, please contact SPOCE on 01202 73 63 73 or e-mail enquiries@spoce.com
10 minutes	**Take time out to check that the Event Preparation CD works in your pc.** Load up 2 or 3 programs from the menu screen ('VisaSURE'; 'Illustrative Answer' and 'Understanding PRINCE2™') to check all is well. Please note that to access some of the programs you may need to install Acrobat Reader from the CD.	Don't spend time at this point using the CD material – just check that they work on your pc. To replace a CD, contact SPOCE at the above numbers.
15 minutes	The CD will auto-load. If you have more than one CD drive and the menu appears on the screen but the programs will not load – then swap the CD into another CD drive.	This problem occurs because your PC is looking for the programs on a different drive.
30 minutes	Read this Pre-course Preparation Booklet.	You will read this booklet several times during your course preparation.
55 minutes day 1		

Event minus 9 days		
15 minutes	Read through the Pre-Course Preparation Booklet again. A quick 'skim' through should suffice.	The purpose is to provide a quick reminder of the main areas of PRINCE2™
45 minutes	Open the PRINCE2™ reference manual and familiarise yourself with its basic structure. Note that there is an Introduction followed by a description of the eight major Processes and then the eight Components and three Techniques. At the end of the reference manual there is a Glossary and five Appendices. Place a reference tab or small "post-it" against each of these sections. Identify on the tab each element.	The PRINCE2™ reference manual is the main handout for the course and is what you will be examined on. You must understand its overall structure and be able to find your way around the manual. You do not need to memorise all the Sub-process names and references!
60 minutes day 2		
Event minus 8 days		
20 minutes	Read the 'Introduction' and 'Introduction to PRINCE2™' Chapters of the PRINCE2™ reference manual.	To put the Method into context and begin to learn the terminology.
45 minutes	Read the 'Introduction to Processes' (chapter 3). Study the Overall Process Model in this Pre-Course Preparation Booklet.	Gain an appreciation of the PRINCE2™ Processes
20 minutes	Load the 'Animated Process Model' from your CD and run it *at least* twice.	Please note there is no soundtrack with this.
45 minutes	'High-level' read-through of the Product Description Outlines in Appendix A.	Gain a basic understanding of the PRINCE2™ Management Products
130 minutes day 3		

<u>Event minus 7 days</u>		
45 minutes	'High-level' read through of all eight major Processes.	Aim for an overall appreciation of each Process at 'major' process level rather than any depth of learning. *I.e., you are not required to read the information of each 'Sub-process'.*
15 minutes	Load the 'Animated Process Model' from your CD and run it to consolidate the relationships between the major Processes.	You should now be starting to concentrate your understand of the Life Cycle of a typical PRINCE2™ project
50 minutes	You will need to have a good understanding of the Sub-processes to fully understand the Method so the next tasks are to read each Sub-process. There is a lot of reading to get through but for your course preparation **you need only read a sub-set of each Sub-process.** Time will be saved by focusing on the following specific headings: **'Fundamental Principles'; 'Context' and 'Information Needs'…** Read these headings for the Sub-processes for 'SU'; 'IP' and 'DP'	
50 minutes	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and try out some of the Foundation questions.	Do not expect to get many correct answers at this early stage!
<u>160 minutes day 4</u>		

Event minus 6 days		
60 minutes	Focusing on the following specific headings: "**Fundamental Principles**"; "**Context**" and "**Information Needs**"… Read these headings for the Sub-processes for 'CS'; 'MP'; 'SB'; 'CP' and 'PL'	
45 minutes	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and try out some of the Foundation questions. Use the 'Random Page', button to dig deeper into the database.	Make a note of your percentages for correct/incorrect answers and use this as a benchmark for future Foundation question attempts!
105 minutes day 5		
Event minus 5 days		
15 minutes	Read the 'Introduction to the PRINCE2™ Components' chapter.	
20 minutes	Read the 'Business Case' Component of the PRINCE2™ reference manual.	The Business Case Component is a key part of the Method – often an exam question.
20 minutes	Read the 'Organisation' Component.	The Organisation topic is often an exam question.
20 minutes	Read the 'Project Management Team Roles' (Appendix B).	
20 minutes	Read the 'Plans' Component of the PRINCE2™ reference manual.	
40 minutes	Read the 'Product-Based Planning Technique.	Creating a Product-based plan (PBS/PFD and a PD) are often exam questions.
40 minutes	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and try out some of the Foundation questions.	Check your scores and timings against your earlier benchmark.
175 minutes day 6		

Event minus 4 days		
30 minutes	Read 'The Management of Risk' Component. Focus on the areas of Risk Evaluation, Risk Response and Risk Management.	Risk is another key area of PRINCE2™ – often an exam question.
10 minutes	Read the 'Risk Categories' (Appendix C)	
30 minutes *70 minutes day 7*	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and try out some of the Foundation questions. Use the random page button to dig deeper into the database.	Your average correct answer score should now be improving.
Event minus 3 days		
20 minutes	Read the 'Quality in a Project Environment' Component.	Quality is a key topic – often an exam question.
20 minutes	Read the 'Quality Review Technique'.	
20 minutes	Read the 'Configuration Management' Component.	Configuration Management and Change Control often feature in exam papers.
20 minutes	Read the 'Change Control' Component and 'Change Control' Technique.	
20 minutes *100 minutes day 8*	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and try out some of the Foundation questions. Use the 'Random Page' button to dig deeper into the database.	You should be feeling confident by now and getting on average two answers out of three correct!

|		
<u>Event minus 2 days</u>		
30 minutes	Control is what any project management method is trying to achieve, so review the Controls Component.	You should be feeling quite confident now – this period of study will provide you with most of the remaining elements.
20 minutes	Complete your reading of the PRINCE2™ reference manual by reviewing the Glossary, PRINCE2™ Health check (Appendix D) and Project Document Management (Appendix E).	
50 minutes	Load 'VisaGOLD' from the CD and answer 75 Foundation questions. Use a combination of 'Next Page' and 'Random Page' buttons to step through the questions.	Your knowledge of the fundamental principles of the Method should be reflected in consistently correct answers.
20 minutes	Review any questions you got incorrect in the above test.	Make a note of any answers you get wrong consistently and try to find them in the PRINCE2™ reference manual.
40 minutes	Load 'Illustrative Answer' from the CD and review its contents.	Read the guidance on the Practitioner examination and get a 'feel' for what is required. Study the illustrative answer.
30 minutes	Sit down and carefully review the PRINCE2™ reference manual. Confirm you are comfortable with its structure and finding your way around it. Tab up any additional useful references you find.	For further reading, load 'Understanding PRINCE2™' from the CD. This e-book contains a useful alternative perspective on the Method.
<u>*170 minutes day 9*</u>		

Event minus 1 day 60 minutes	Randomly read 'Key Learning Points'. Then load 'VisaGOLD' from the CD and answer as many of the Foundation questions you can. Use 'Next Page' button to step through the questions.	Your knowledge of the fundamental principles of the Method should be reflected in consistently correct answers from 'VisaGOLD'.
20 minutes	Review any questions you got incorrect in the above test.	Make a note of any answers you get wrong consistently and try to find them in the PRINCE2™ reference manual.
30 minutes	Load 'VisaSURE' from the CD and review the Practitioner exam question contents. Look at the Scenario, Questions and Sample Answers.	Try out some questions if you wish.
30 minutes **140 minutes day 10** **Approx 20 Hours Total**	Review the PRINCE2™ reference manual. Tab up any additional useful references you find. You may find it useful to re-visit some of the examination assistants on the CD before joining the course. Statistics show that candidates who do well in the Foundation Exam (demonstrating a thorough knowledge of the Method) have a better record of success in the Practitioner Exam (where the knowledge is applied).	Make a note of any questions you wish to raise on your training course.

You should be as ready as you'll ever be to join the training course and make a full contribution and pass the examinations! ***There are some areas in the reading material and on the CD that you may wish to re-visit, for example 'Key Learning Points' in preparation for the Foundation Exam.*** *Remember, you are not expected to have learned all about the PRINCE2™ Method before joining the course, but thorough preparation will mean that the course will be able to join all the pieces together and help with your overall understanding of how the Method works.*
If you have not had the time or opportunity to follow this preparation guide, do not despair – but you will need to put in extra effort during the course and in the evenings.

The timings in this document are only a rough guide and will differ for each individual.

PRINCE2™

Pre-Course Study
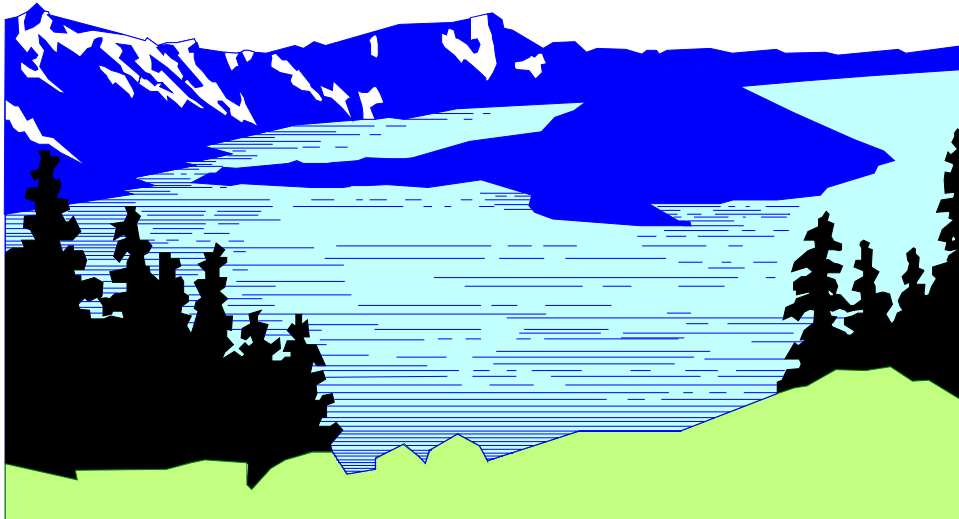
UNDERSTANDING THE
BACKGROUND
TO THE PRINCE2™ METHODOLOGY

Understanding The Basics of PRINCE2™

The Structure Of A PRINCE2™ Project

Within a PRINCE2™ project environment, each project which is undertaken must:

♦ *address all the Processes concerned with establishing an effective project management environment;*

♦ *have a stated business case indicating the benefits and risks of the venture;*

♦ *demonstrate a properly defined and unique set of Products or Deliverables;*

♦ *have a corresponding set of activities to construct the Products or Deliverables;*

♦ *identify appropriate resources to undertake the activities;*

♦ *have a finite life-span; suitable arrangements for control;*

♦ *identify an organisation structure with defined responsibilities;*

♦ *include a set of Processes with associated techniques which will help plan and control the project and bring it to a successful conclusion.*

A PRINCE2 project is divided into a number of 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 life-span, control elements, and an organisational structure. The delivery of these products, to the agreed quality standards, marks the completion of the Management Stage. PRINCE2 defines:

♦ *the organisation of the project and its management stages;*

♦ *the processes which drive the undertaking;*

♦ *the structure and content of the project plans;*

♦ *some basic project management techniques;*

♦ *a set of business, management and quality controls which ensure that the project is proceeding to expectations and plan.*

These, together with the products of the project and the activities to produce and quality check them, the project business case, the associated risk management activities, all encompassed within a Quality Management framework, make up the PRINCE2™ environment.

All products of a PRINCE2 controlled project are filed within a defined structure - its "Configuration". Management and Specialist Products are identified and filed separately.

The PRINCE2 framework provides the flexibility to set stage boundaries which are appropriate to the needs of the project. Management Stage boundaries are chosen according to:

♦ *the sequence of production of Products/Deliverables;*

♦ *the grouping of Products into self-contained sets or associated Processes;*

♦ *natural decision points for review and commitment of resources;*

♦ *the risks and business sensitivity of the project;*

♦ *the completion of one or more discrete Processes.*

The project stages correspond to the steps in the natural project life-cycle towards the eventual outcome. Thus the stage boundaries are normally defined to correspond to the completion of the major Products to be built and key decisions concerning commitment of resources that need to be made. Whatever the nature of the project, it is advisable to define one or more planning and/or definition processes in the early part of the project's life. PRINCE2 provides two major Processes to cater for this - *"Starting Up A Project (SU)"* (where the early foundations for decision support are laid) and *"Initiating A Project (IP)"* (where senior management are invited to commit to the undertaking and a baseline is produced. The project is triggered by a *"Project Mandate"* which might take any form from an informal request by a sponsor to a formal recommendation from a report.

PRINCE2 recognises that few projects will be undertaken entirely in isolation. The outputs from one project may be used as input by another project. There may be other dependencies between projects, such as the use of shared resources. PRINCE2™, therefore, provides a mechanism for defining the boundary of a project and its relationship to other projects. Although not specifically referred to in the Method, a high-level context diagram is a useful mechanism for defining these relationships.
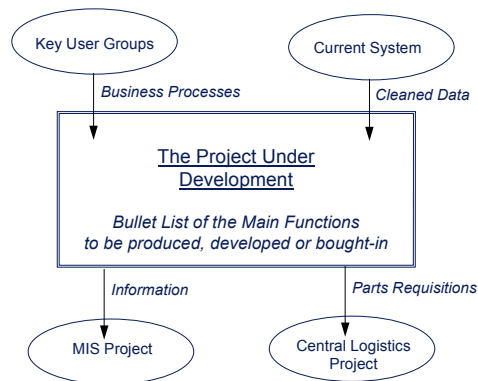
Figure 1: Example Scoping Diagram showing Inputs and Outputs for the Project

The Scoping Diagram illustrated in figure 1 is particularly useful when planning and managing a Programme of Work where individual projects inter-relate with each other and it is necessary to ensure that expected outputs from individual projects are anticipated and planned for. When all individual project context diagrams are assembled to complete the programme "jigsaw" it will be apparent which outputs and inputs do not match, and appropriate action can be taken by the Programme Director/Manager.

The Key Elements Contained In PRINCE2™

To understand the content of the PRINCE2™ Project Management Method, the following model showing the key elements should be studied:

ORGANISATION STANDARDS & APPROACHES; BUSINESS STANDARDS & ETHICS
QUALITY MANAGEMENT SYSTEM (QMS) (ISO9001)

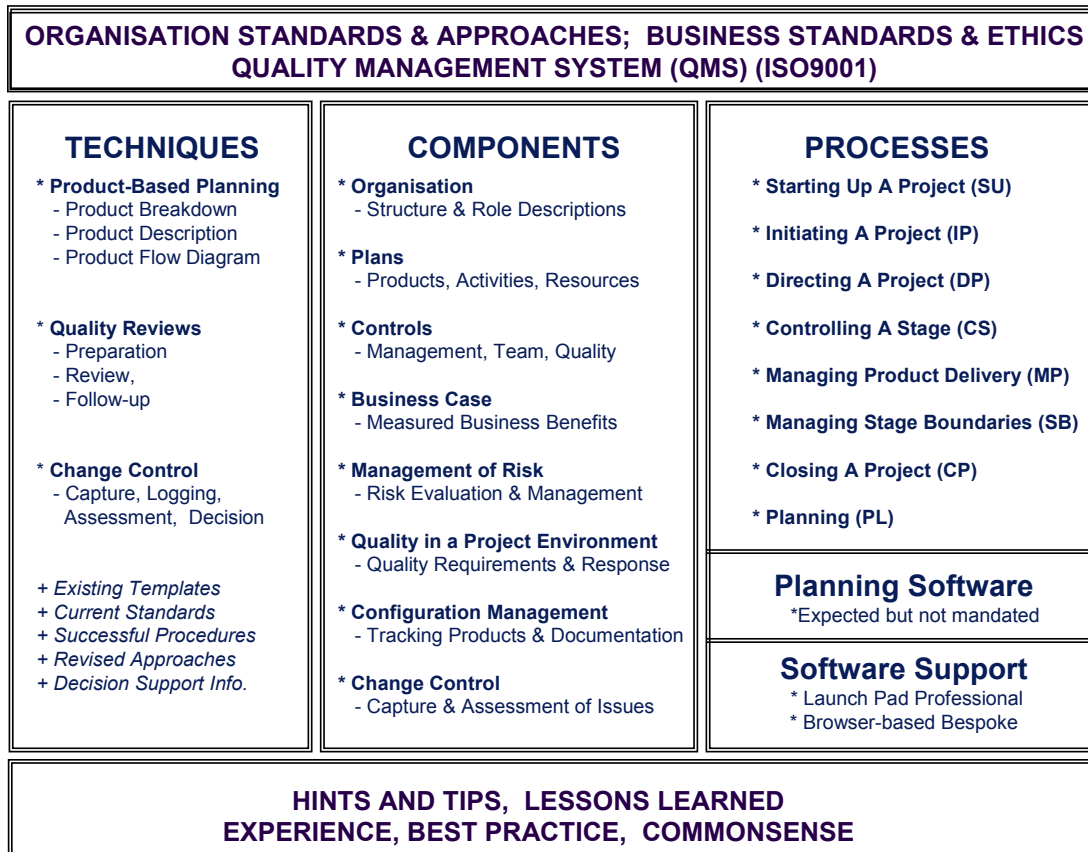| TECHNIQUES	COMPONENTS	PROCESSES
* Product-Based Planning - Product Breakdown - Product Description - Product Flow Diagram	*** Organisation** - Structure & Role Descriptions	*** Starting Up A Project (SU)**
	* Plans - Products, Activities, Resources	*** Initiating A Project (IP)**
* Quality Reviews - Preparation - Review, - Follow-up	*** Controls** - Management, Team, Quality	*** Directing A Project (DP)**
	* Business Case - Measured Business Benefits	*** Controlling A Stage (CS)**
* Change Control - Capture, Logging, Assessment, Decision	*** Management of Risk** - Risk Evaluation & Management	*** Managing Product Delivery (MP)**
	* Quality in a Project Environment - Quality Requirements & Response	*** Managing Stage Boundaries (SB)**
+ Existing Templates *+ Current Standards* *+ Successful Procedures* *+ Revised Approaches* *+ Decision Support Info.*	*** Configuration Management** - Tracking Products & Documentation	*** Closing A Project (CP)** *** Planning (PL)**
	* Change Control - Capture & Assessment of Issues	**Planning Software** *Expected but not mandated* **Software Support** * Launch Pad Professional * Browser-based Bespoke

HINTS AND TIPS, LESSONS LEARNED
EXPERIENCE, BEST PRACTICE, COMMONSENSE

Figure 2: Summary Model of the PRINCE2™ Method

The PRINCE2™ methodology applies three key elements to each project and to the Management Stages within a project. These are summarised in the above Model and described, briefly, in the following tables. The three elements are the *Processes* which drive the project management, and the *Components* and *Techniques* which are used by each of the Processes to effect the management of the project. PRINCE2™ has been designed to tell you WHAT you should be doing and WHY it should be done. It is limited on the HOW, 'as in the Techniques'. Most project management techniques are already tried and tested, so the Method leaves the decision on the use of such techniques up to the implementing organisation. PRINCE2™ covers three techniques in particular.

The PRINCE2™ Processes

DESCRIPTION	REF	EXPLANATION
Starting Up A Project	SU	Establishes the Objectives and Approach to the Project; Sets up the Project Management Team; Plans for the Initiation Process. This is a pre-project Process, which looks to answer the question *"do we have a worthwhile and viable project?"* before asking for commitment of resources to set up a project environment.
Initiating A Project	IP	Plans the whole Project in terms of its Products, Activities, Resource Usage and Quality; Sets the baseline for the Business Benefits & Risks.
Directing A Project	DP	Provides authorisation for work to be carried out and Resources to be committed. Authorisation for Project Initiation and Project Closure and, in some cases, its premature termination. The Process is "owned" by the Project Board – the overall authority for the Project – the Executive member is accountable for the overall business success of the project.
Controlling A Stage	CS	The basic day-to-day project management Process - authorising work to create or change Products, collecting and reflecting "actuals", assessing progress and reporting to senior management. Capturing proposed changes and errors and escalating these, where appropriate to the Project Board.
Managing Product Delivery	MP	The main "workshop" for the project where the majority of resources are consumed. This Process is where the Products of the Project are created. Progress reports (Checkpoint Reports) are provided to the Project Manager. Quality Review and Delivery of Products occurs here.
Managing Stage Boundaries	SB	Reporting on the achievements of the Current Management Stage and the impact on the overall Project Plan and Business Case. Planning the Next Stage (Products, Activities, Resource Usage). Putting together Exception Plans when the Management Stage has suffered a significant departure from its approved plan.
Closing A Project	CP	Preparation for closing the Project in an orderly way. Customer sign-off, preparation of an End-Project Report and identification of Lessons Learned and Follow-on Recommendations. Planning for a Post-Project Review.
Planning	PL	Used by all the other Processes - featuring the design and creation of all PRINCE2™ plans.

The PRINCE2™ Components:

DESCRIPTION	USED BY	EXPLANATION
Organisation	SU SB	Organisation Structure + Role Descriptions. Predominantly used in the *"Starting Up A Project"* Process where the Executive and Project Manager are appointed in the first Sub-process, and the Project Management Team is designed and appointed. The Project Management Team is reviewed at the end of each Management Stage within *"Managing Stage Boundaries"*.
Plans	SU IP CS MP SB CP PL DP	All Processes use the Plans Component. The Initiation of the project is planned during *"Starting Up A Project"*; the project itself is planned in *"Initiating A Project"*; Stage plans are prepared in *"Managing Stage Boundaries"*; and Product planning is carried out in *"Controlling A Stage"* and *"Managing Product Delivery"*. Follow-on actions, including preparation of a Post-Project Review Plan are put together *in "Closing A Project"*. *"Directing A Project"* uses the approved plans throughout to confirm the required progress.
Controls	SU IP CS MP SB CP PL DP	All the Processes use the Controls Component. The "control" Processes which make particular use of this Component are *"Initiating A Project"* (which sets up the overall project control structure*); "Controlling A Stage"* (which uses Checkpoint Reports to capture progress, and records actual usage of resources. Highlight Reports are used to inform the Project Board of progress); *"Managing Product Delivery"* generates Checkpoint Reports for control purposes. Stage approval is handled by *"Managing Stage Boundaries"* where Management Stages are approved via End Stage Assessments. This Process also uses Exception Reporting and Planning to control significant departures from plan. *"Directing A Project"* is the Process within which overall authorisations are made; this Process uses the key controls of End Stage Assessment, Exceptions Assessments, Tolerance, Project Initiation and Project Closure.

The PRINCE2™ Components (Continued)

Business Case	SU IP SB DP	The Business Case is viewed as the "driving force" of any PRINCE2™ project. The Business Benefits are measured by the Business Case which is outlined in *"Starting Up A Project"* and formally recorded in *"Initiating A Project"* where it forms an important part of the Project Initiation Document (PID). The Business Case is up-dated at least during *"Managing Stage Boundaries"* when the End-Stage Report is created – more often if appropriate. When Project Issues are being analysed the impact on the Business case will be reviewed. During *"Closing A Project"* the Business Case will be used in preparing the Post Project Review Plan. The Business Case has close ties with the Management of Risk Component and the two elements are usually treated in unison.
Management of Risk	SU IP SB DP	Risk analysis is carried out initially *in "Starting Up A Project"* when the Project Brief is created and a Risk Log established. The initially identified risks are refined in *"Initiating A Project"* where the Business Case for the project is established. The risk analysis is updated during *"Managing Stage Boundaries"* to provide the basis for decision support for the Project Board when they review the project at the End Stage Assessment in *"Directing A Project"*. No specific risk analysis tools or techniques are recommended. Management of risk has close ties with the Business Benefits which are measured and presented as the Business case for the project. Both the Business Case and the risk analysis are up-dated at least at the end of each Management Stage in preparation for an ESA or an EXA.
Quality In A Project Environment	SU IP CS MP PL	The Customer's Quality Expectations are first identified in *"Starting Up A Project"* and quality aspects are planned in *"Initiating A Project"*. When the project is approved, *"Controlling A Stage"* and *"Managing Product Delivery"* enable specific Quality Criteria to be set for each Product (or Deliverable) via Product Descriptions described in the *"Planning"* Process.

The PRINCE2™ Components (Continued)

Configuration Management	IP CS MP CP	Configuration Management is **not** optional in PRINCE2™. This Component addresses the proper safeguarding and management of Products or Deliverables and their associated documentation. *"Initiating A Project"* sets up the Project Files and *"Controlling A Stage"* and *"Managing Product Delivery"* executes the Configuration Management arrangements. Project Files are archived in *"Closing A Project"* mainly for audit purposes.
Change Control	CS	Managing proposals for change is an important aspect of project management and the Process *"Controlling A Stage"* is where such proposals are captured, evaluated and actions decided upon.

The PRINCE2™ Techniques

DESCRIPTION	EXPLANATION
Product-Based Planning	A "Product Breakdown Structure" identifies the Products or Deliverables to be produced during the project. A "Product Description" for each Product identified in the Product Breakdown Structure defines and specifies each significant Product; a key feature of the Product Description is the Quality Criteria used to ensure that the Product is indeed a "Quality Product" that conforms to its requirements. A "Product Flow Diagram" shows the relationship that each Product has with others and with external entities; the Product Flow Diagram must "balance" with the Product Breakdown Structure.
Quality Review Technique	Used for measuring a Product or Deliverable against its agreed and published Quality Criteria. PRINCE2™ recognises Informal Quality Reviews (typically "Desk Checks", Tests or Visual inspections) and Formal Quality Reviews (which are more structured "Walkthroughs" of a Product). Formal Quality Reviews comprise three distinct steps - Preparation, The Review Meeting and Follow-Up.
Change Control Approach	Every project must be capable of accommodating changes required by the customer or anyone else who has an interest in the project's outcome. All suggested changes, identified errors and departures must be captured as "Project Issues. These are logged, analysed for technical, customer and business impact, and a decision made on whether to accept or reject the Issue.

More on the PRINCE2™ Processes

The eight major Processes state the minimum content that can be expected to be found in a PRINCE2 compliant project. Exactly *how* the Processes are addressed within any project is the responsibility of the organisation's senior management, represented by the Project Board, and the Project Manager, but the method requires that each of the eight major Processes is reflected within the project one way or another.

All the Sub-processes link to Components and Techniques some of which are described within the method. It is anticipated that most organisations will already be using some specific Techniques and might wish to incorporate additional Components reflecting their business environment and culture. PRINCE2™ encourages this where they provide value to the management decision making process.

Each Sub-process is defined in the following terms:

♦ *The Fundamental Principles that under-pin the Process;*

♦ *The Context within which the Process operates (with which other processes);*

♦ *Process Description - an overview of the Process and its objectives;*

♦ *Responsibilities - identifying accountability for the Process;*

♦ *The Information Needs required for the Process to function effectively;*

♦ *The Key Criteria which will influence the success or failure of the Process;*

♦ *Hints and Tips for carrying out the Process in the best way.*

Major Processes follow the same structure but have an additional "Scalability" heading to help with scaling down each Process for smaller, lower risk projects, where this is required by senior managers.

The Process-based approach is a powerful feature in PRINCE2 and is the area which most differentiates it from version 1 of the method. The flexibility of the method is, however, underlined by allowing implementing organisations to choose their own destiny in terms of identifying *how* to meet the requirements of any given Process. The successful use of the Process Model will be in its tailoring to suit the needs of the implementing organisation. You should not *drop* any Processes. The key question to ask yourself is *"how extensively should each process be applied on this project"*.

In most organisations already operating successful project management systems there will be little need to make changes to the way they are operating, provided effective project management procedures are already in place. They will simply need to scale each Process to suit the needs of their own organisation and projects.

The Organisation Component

The organisation and effective use of people assigned to manage a project needs to be considered from the view-point both of the specialist skills they bring to the project and their individual personalities.

Responsibilities need to be defined within a project management team structure to ensure that management is both efficient and responsive, and that individuals understand exactly what is expected of them. Within PRINCE2™, responsibilities are defined in terms of roles, rather than individual's jobs. Assignment of roles to individuals is a decision for each Project Board to take in the light of organisational circumstances, and the same individual may be assigned to more than one role, or to different roles at different stages of the project.

Three roles/interests must always be represented on any PRINCE2™ project – Business, User, and Supplier. These roles may be combined or shared but must never be eliminated or ignored.
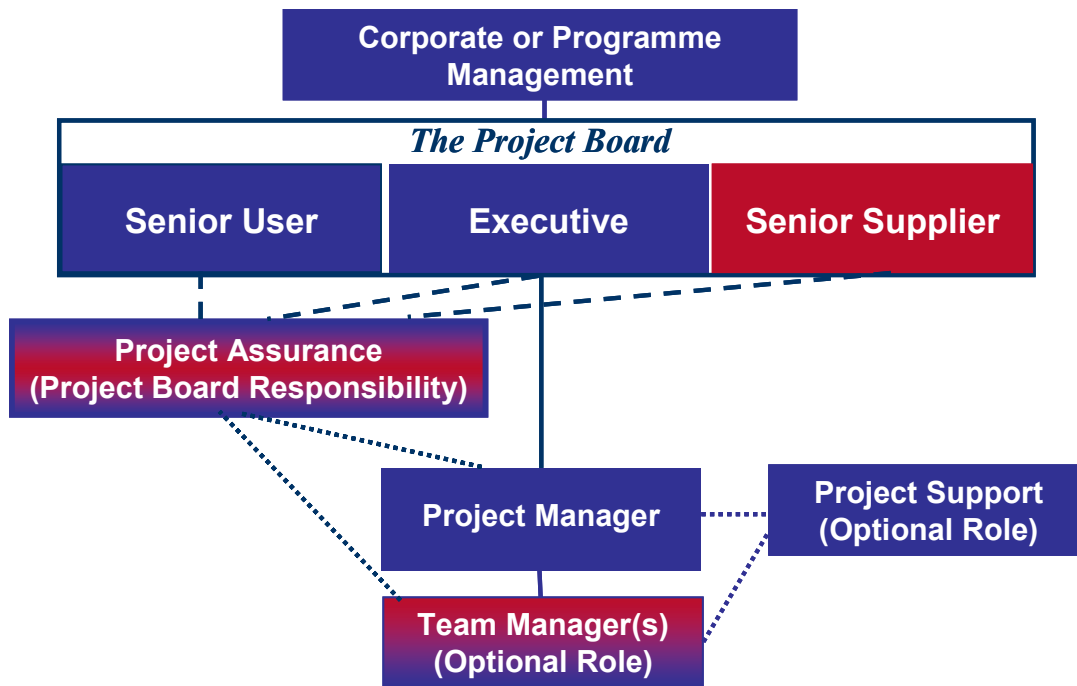
Figure 3: The PRINCE2™ Organisation Structure
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The Project Board

Every PRINCE2™ project will have a Project Board appointed. The Project Board is the overall authority for the project and is normally appointed by Corporate or Programme Management to take overall responsibility and control of a PRINCE2 project. The Project Board consists of three senior management roles, each representing major project interests.

♦ **Executive:** *appointed by Corporate/Programme Management to provide overall project guidance and assessment throughout. The Executive represents the interests of the Customer and the Business and has ultimate responsibility and authority for the project, assisted by the Senior User and Senior Supplier roles.*

♦ **Senior User:** *representing users (and, where appropriate, Customers) of the outcome or the major products from the project.*

♦ **Senior Supplier**: *representing areas which have responsibility for providing the specialist "know-how" and/or committing Supplier resources for the solution. The Senior Supplier might be drawn from an external, commercial, organisation or from internal sources responsible for delivering the specialist "End Product" to the customer (or a mixture of both).*

There is a requirement within the Method to have a Project Board function and this cannot be eliminated or delegated (although the terminology may be changed to suit the organisation's culture, for example "The Project Authority"). The Project Board's *accountability* for Project Assurance cannot be delegated although the day-to-day work of Project Assurance can if Project Board members do not have the time or expertise to carry out the tasks involved.

The Project Manager

A Project Manager will always be appointed to assume day-to-day responsibility for planning and management of the project throughout all its Management Stages. The Project Manager takes direction from (and reports back to) the Project Board and is responsible for managing, on behalf of the Project Board, the Processes, planning and delivery of Products for the project, on-time, within budget, meeting the specialist/technical and quality criteria agreed with the Project Board.

As with the Project Board, the role of Project Manager is a required role within the Methodology and cannot be shared, delegated or eliminated.

The Team Manager

In a large or complex project, one or more Team Managers may be assigned the responsibility for ensuring that the products of one or more particular Technical Stages of work are planned, controlled and produced on schedule, to the defined and agreed quality standards, and within budget.
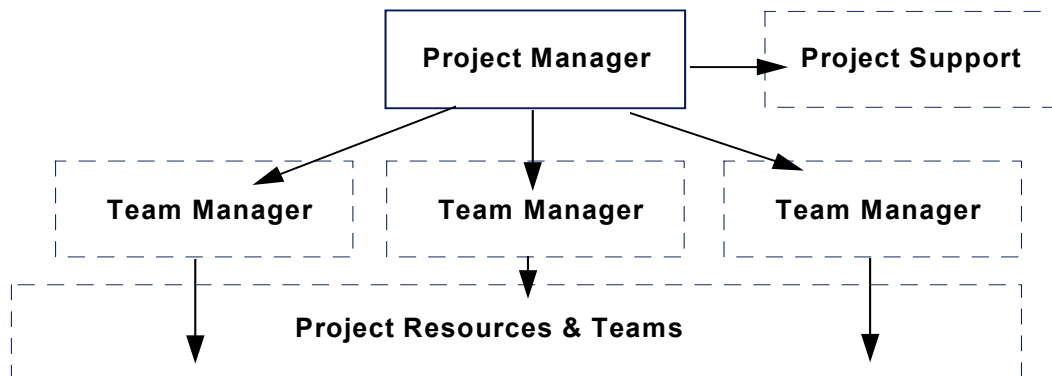

Figure 4: Project Manager and Team Manager Relationships

Use of a separate person to undertake the Team Manager role is optional and will only be present in large projects or where the Project Manager lacks the specialist skills to plan and control specific parts of the project.

Project Resources and (Specialist) Teams

The Project and/or Team Manager have responsibility for Teams of specialist staff, tasked to carry out the activities and produce the Products of the stage. The team organisation, responsibility definitions and the allocation of these responsibilities to individuals will depend upon the size and nature of the project and the skill mix available. PRINCE2 recognises the need to establish Team Manager roles where sensible and appropriate.

Project Assurance

PRINCE2 separates the Project Assurance function from the Project Support function. The Project Board have responsibility and accountability for Project Assurance. Depending on the size, scope, risk and profile of the project, and their own knowledge, skills and time available, they may choose to delegate responsibility for overseeing *day-to-day* Project Assurance to others within the organisation. However, accountability for Project Assurance rests with the Project Board and they are not able to delegate this. Project Assurance may not be delegated to the Project Manager or to Team Managers.
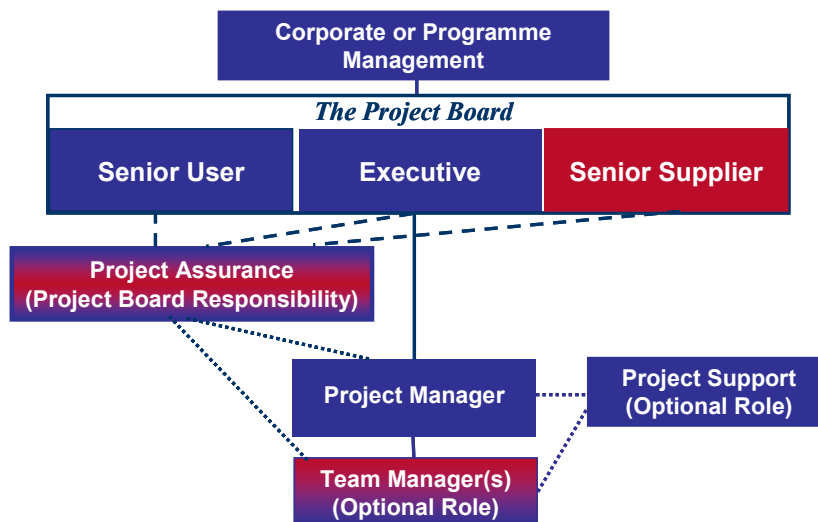

Figure 5: Project Board and Project Assurance Functions
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Although not specifically separated out in the PRINCE2™ Method, Project Assurance can be usually found in two distinct forms:

♦ **External Assurance** *to confirm that the project is following overall and corporate standards (e.g. the published Quality Management System, or particular accounting conventions) and the organisation can be expected to have an audit function already in place to check these aspects.*

♦ **Internal Assurance** *to verify that the project is delivering Products that meet the agreed Quality Criteria and that internal project standards are being followed. Internal Assurance is ultimately the responsibility of the Project Board.*

Project Support

Within PRINCE2, Project Support, on a formal basis, will only exist where there is a perceived need for it. A Project Manager may well find that the Project Board see no scope for any administrative support, and that any day-to-day assistance might need to be on an "ad-hoc" basis.

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┌────────────────────┐        ┌─ ─ ─ ─ ─ ─ ─ ─ ─ ─ ─┐
│                    │        │                      │
│  Project Manager   │───────▶│   Project Support    │
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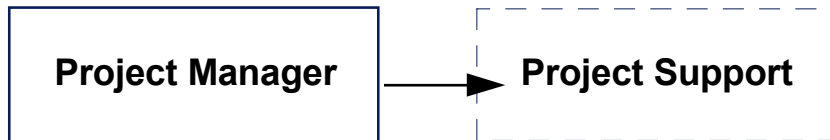
Figure 6: Project Manager and Project Support Relationships

Where a project does warrant the appointment of a Project Support function, the individual(s) selected will report directly to the Project Manager. Incidental support for the Team Managers, where appointed, and Team resources will normally form part of Project Support's responsibilities.

The Project Support Office

A Project Support Office might well evolve in a Programme or multiple-project environment, to support a number of individual projects. The methodology supports the possibility of a transition from several Project Support individuals to a central Project Support Office where the number of projects under development warrants it. The resultant Project Support Office will be able to provide a centre of expertise for all project management aspects within the organisation/site, effectively delivering an internal consultancy service, where required, to Project Board members, Project Managers, Team Managers and project team members.

Summary of The Organisation Component

In the final analysis, it is the people who are responsible for the management of the project and the creation of its Products who have its success in their hands. Clear definition of responsibilities and a tenacious commitment to achieving agreed goals will always be a predominant factor in success. The PRINCE2™ Method must always be tailored to suit the implementing organisation's existing standards, business approaches, culture and people; the latter two are arguably *the* most important for day-to-day management.

PRINCE2™ Planning

Estimating, planning and re-planning are constant and key activities when managing any project. PRINCE2™ provides a structure for preparing and maintaining plans at appropriate levels throughout the life of a project. Plans are prepared for the Project as a whole, for each stage within the project and, optionally, for the teams' work within each Management Stage. There is also an Exception Reporting and Planning process to handle divergences from the original plan. The PRINCE2™ method includes a Technique for Product-Based Planning, incorporating Activity planning, Resource reporting and Quality Review planning.

Products or Deliverables and Related Activities

PRINCE2 provides a set of planning techniques which give structure to the project. The key to PRINCE2™ planning is the identification and definition of the Products required. From this comes an analysis of the work (i.e. the activities) required to generate those Products, and the sequencing of the work into a logical order.

PRINCE2™ makes a distinction between Management Products and Activities, Specialist Products and Activities, and Quality Products and Activities. This is partly because these are usually the concern of different groups of people, but also to ensure that management and quality activities are not overlooked in planning and estimating.
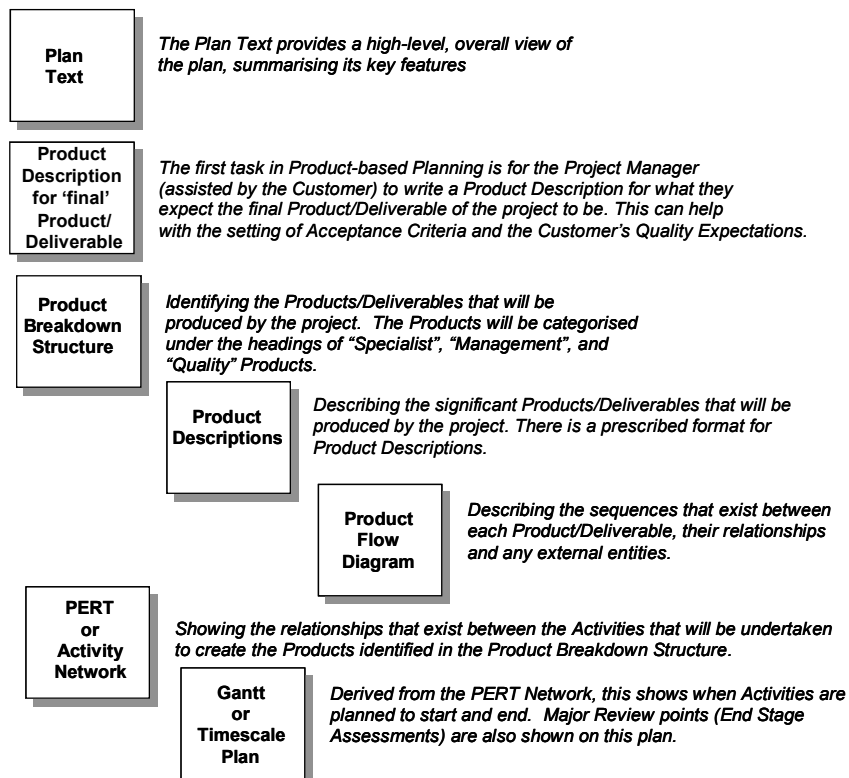
Plan Text	*The Plan Text provides a high-level, overall view of the plan, summarising its key features*
Product Description for 'final' Product/ Deliverable	*The first task in Product-based Planning is for the Project Manager (assisted by the Customer) to write a Product Description for what they expect the final Product/Deliverable of the project to be. This can help with the setting of Acceptance Criteria and the Customer's Quality Expectations.*
Product Breakdown Structure	*Identifying the Products/Deliverables that will be produced by the project. The Products will be categorised under the headings of "Specialist", "Management", and "Quality" Products.*
Product Descriptions	*Describing the significant Products/Deliverables that will be produced by the project. There is a prescribed format for Product Descriptions.*
Product Flow Diagram	*Describing the sequences that exist between each Product/Deliverable, their relationships and any external entities.*
PERT or Activity Network	*Showing the relationships that exist between the Activities that will be undertaken to create the Products identified in the Product Breakdown Structure.*
Gantt or Timescale Plan	*Derived from the PERT Network, this shows when Activities are planned to start and end. Major Review points (End Stage Assessments) are also shown on this plan.*

Figure 7: PRINCE2™ Plans Structure

Management activities are concerned with planning, monitoring and reporting the work of the project, in both normal and exceptional situations. They produce Management Products in the form of plans, reports and other control documents. Management activities include the planning and control of all specialist activities on the project. Although influenced by the specialist content, a similar pattern of management tasks can be expected to be present in any PRINCE2™ project.

Conversely, the Specialist activities undertaken by a project are determined entirely by the scope and objectives of the project. The Specialist activities describe the work needed to produce the Specialist Products required from the project.

The Specialist Products required by the user/customer are identified and defined at the start of the project by the Project Manager and accepted by the Project Board. Additional Specialist Products may be defined by the strategy appropriate to a particular Management Stage of the project; specialist activities may also be prescribed by an organisation's own particular technical strategy. PRINCE2 therefore acknowledges the need for flexibility in the selection and definition of Specialist activities and the corresponding Products.
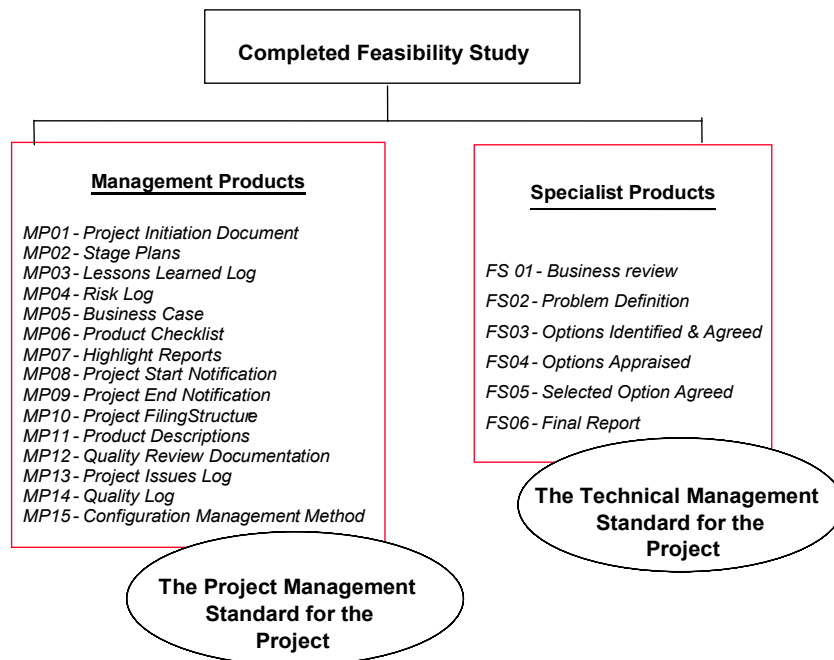
Quality activities may be performed by anyone who is able to make a contribution to the Product under review. Individuals within the project and host organisation as well as people external to the organisation are all appropriate. Quality activities must be planned early in the life of the project.

The PRINCE2 Product planning techniques require every project to be described and defined in terms of its Products or Deliverables. This is a very effective way to ensure full understanding of what is required and to ensure that, as far as possible, all resource consuming activities are related to one or more required Products.

Planning for the Delivery of Specialist Products

PRINCE2™ Plans are concerned with the Products to be delivered and with the activities necessary to ensure that these Products emerge on time and to the required quality standards.

The project's Products are identified for each level of plan (Project Plan, Stage Plans and optional Team Plans); definition of each product (via the PRINCE2™ Product Description) allows its make-up and quality requirements to be documented and properly understood. A Product Breakdown Structure illustrates the hierarchical make-up of the complete set of project products and a Product Flow Diagram provides a view of the relationship each product has with others, both within and external to the project.
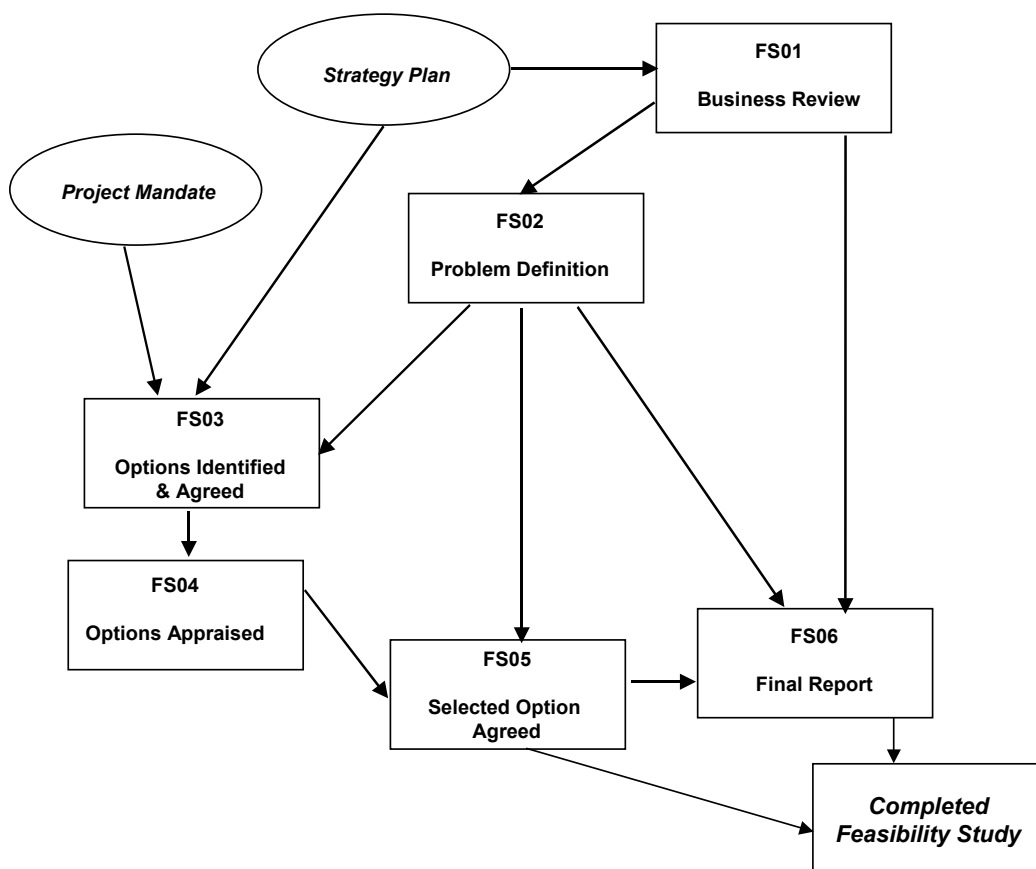

Figure 9: Product Flow Diagram (For a Feasibility Study)

The Project Timescale or Gantt Plan charts the major activities of the project. It is usually derived from the PERT (Programme Evaluation and Review Technique) or Activity Network which shows the relationships that exist between project activities. It is used in conjunction with a Project Resources Report to monitor progress on the project as a whole. It also addresses planning requirements related to Quality Control and Configuration Management. A Stage-level Gantt (or time-scale) Plan shows the products, activities and quality controls for each stage of the project. The Stage-level Gantt Plan is produced and approved near the end of the previous stage (the plan for the first stage is prepared with the project plan during the initiation stage).

Additional, lower-level Gantt Plans can be expected to exist in most projects, to give a 'detailed' breakdown of particular major activities. These are termed 'Team Plans' and are optional. The size and complexity of the project will usually determine the use of Team Plans. They will often be needed where external suppliers are being used.
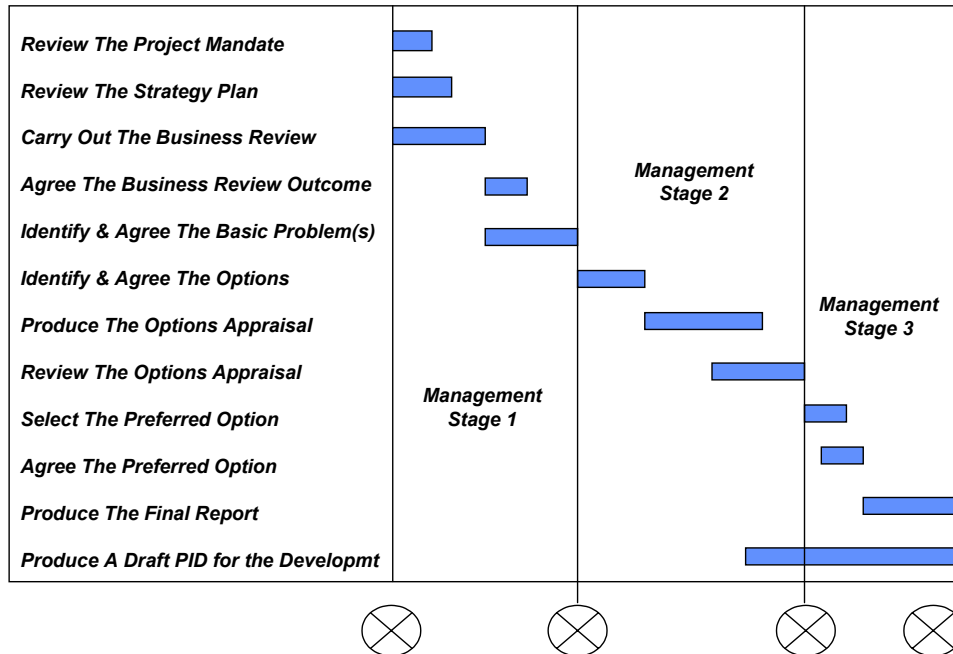

Figure 10: Gantt Plan (Time-scale Plan)

Lower level Plans (or Individual 'Work-to' Lists), if required, are derived from the Stage and Team Plans to allocate detailed activities (and Products/Deliverables) to particular members of a Specialist Team. Although this level of plan is not formally included in PRINCE2™, they should be utilised if the size and/or complexity of the project requires their production.

Quality Planning - BS/EN/ISO9001

Action must be taken at project planning time (within the *"Initiating A Project (IP1)"* Sub-process) to ensure that the project can deliver its Products to the required quality standards (initially expressed by the Customer's Quality Expectations (within the *"Starting Up a Project (SU4)"* Sub-process) required by the customer. Quality Criteria must also be defined and agreed, and incorporated into a Product Description for each significant Product (identified in the "*Planning (PL2)"* Sub-process), for example those at Project and Stage level plans. A Project Quality Plan (IP1 Sub-process) and subsequently Stage Quality Plans (SB1 Sub-process) must be defined, published and adopted. Quality Review procedures must be established and staff trained;   review activities must be properly resourced. Whatever action is proposed to build quality into the project, the measures must be consistent with any published Quality Management System (QMS) that is already in effect.

PRINCE2™ has been designed to comply with the BS/EN/ISO9001 Quality Management Standard. BS6079, the Project management standard, is also reflected within PRINCE2™. ISO9001, BS6079 and PRINCE2™ are all Process-driven; the foundation for quality and effective, modern project management is therefore integral and inherent in PRINCE2™. The results of the quality planning activity must be integrated into the timescale and resource plans at each level. Just as quality must be built into the Products, so must quality control be built into the plans.
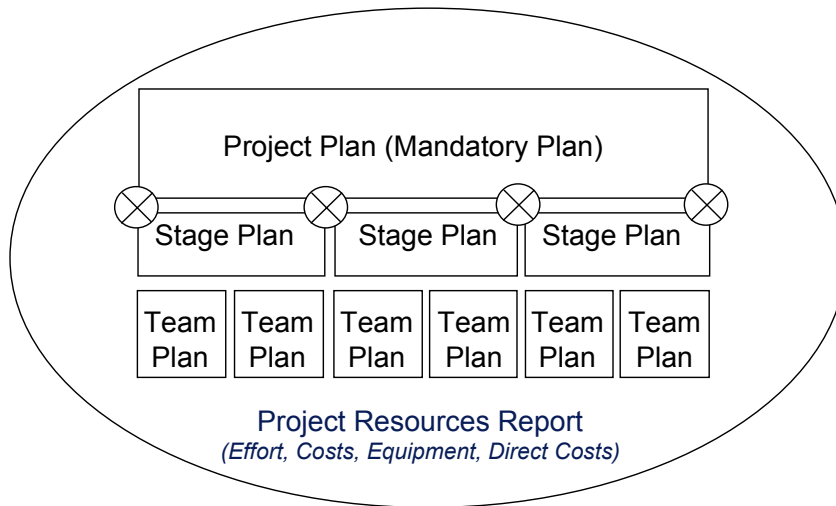

Figure 12: PRINCE2™ Planning Levels - Project, Stage & Team

♦ The *Project Level* plan (mandated by the Method) sets the overall quality approach for the entire project. It defines the standards to be followed and the quality criteria for the major products. It also identifies external constraints that may apply to the project, such as a specific Configuration Management Method.

♦ The *Stage Level* plan (required by the Method for each Management Stage) identifies the quality criteria, methods and review guidelines for each Product produced during the stage.

♦ A *Team* plan (optional in the Method) might be required for specific individual activities such as carrying out interviews within a particular user/customer area or working on a specific Specialist Product within a Work Package.

The Project Manager, usually in consultation with the Team Manager(s), is responsible for deciding whether any plans below stage-level are required; this decision will be endorsed by the Project Board at the Project Initiation or End-Stage Assessment meeting.

Planning & Tolerance

The Project Board Executive sets tolerances for Stage Plans. These define the limits of time-scale and cost (also Quality, Scope, Benefits and Risk), within which the Project Manager can operate without further reference to the Project Board. Tolerance is variable and will be assigned to each Management Stage to reflect the respective business risk, but a general rule of thumb that can be used is that Time Tolerance of plus/minus 1 week and Cost Tolerance of plus/minus 10% is about right.

Generally speaking, Tolerance may be applied to any aspect of the project which is measurable; other areas of Tolerance recognized by PRINCE2™ are Scope, Quality, Risks and Benefits.

An Exception Report and, subsequently, if required by the next higher level of management, an Exception Plan, is produced in situations where any Project, Stage or Work Package level Tolerances, typically cost or time, are *forecast* to be exceeded beyond the Tolerances set by the corresponding level of management. The Exception Report describes the cause of the deviation from the agreed plan and its consequences and recommends corrective action to the next level of management. Once considered and approved, the Exception Plan replaces the remainder of the plan that was in exception. In the case of a Sage and/or Project Plan being in exception, an Exception Assessment would be held for the Project Board's approval.

The Controls Component

Regular and formal monitoring of actual progress against the approved plan is essential to ensure the timeliness, cost control and quality of the system or undertaking being developed. PRINCE2 provides a support structure of Management and Product-oriented controls to monitor progress, supported by a reporting procedure which enables re-planning or other appropriate corrective action to be taken.

Management Controls

PRINCE2™ provides a structure of management controls to be applied throughout the project. These controls cover all aspects of project activity and, at the highest level, allow the Project Board to assess project achievement and status prior to committing further expenditure. Controls are applied through measuring the progress towards production of a set of pre-defined outputs (Products or Deliverables). The overall structure of Management Controls is defined during the project Initiation Stage (*"Initiating A Project (IP4)"* Sub-process) to ensure that the project is set up with clear Terms of Reference, incorporating agreed and measurable Objectives and an adequate management control structure.

Project Initiation

To document a firm foundation and to provide a positive start to the project, ensuring that the terms of reference, objectives, plans and controls, business risks, benefits and financial return, organisation structure and job definitions are clearly defined, published, understood and agreed.

This Management Product is very important to the project and is the result of two Processes - the pre-project *"Starting Up A Project (SU)"* and *"Initiating A Project (IP)"*. The key output is the Project Initiation Document (PID) which, when approved by the Project Board, is a "frozen" reference document used to baseline the project.

End Stage Assessment (ESA)

This is a required management control and occurs at the end of each Management Stage. It typically consists of a formal presentation to the Project Board of the current project status, and reviews the overall business case (benefits and risks). The approval of the proposed plans for the next stage is also obtained. Project Board approval, with agreement by all the members, must be obtained before the project can proceed to the next stage.
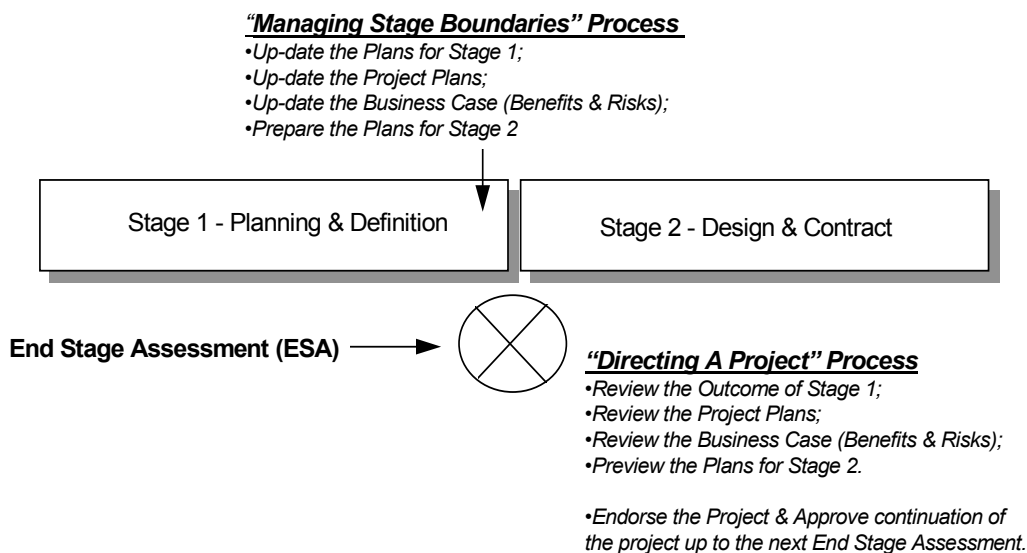
"Managing Stage Boundaries" Process
•Up-date the Plans for Stage 1;
•Up-date the Project Plans;
•Up-date the Business Case (Benefits & Risks);
•Prepare the Plans for Stage 2

| Stage 1 - Planning & Definition | Stage 2 - Design & Contract |

End Stage Assessment (ESA) ⊗

"Directing A Project" Process
•Review the Outcome of Stage 1;
•Review the Project Plans;
•Review the Business Case (Benefits & Risks);
•Preview the Plans for Stage 2.

•Endorse the Project & Approve continuation of the project up to the next End Stage Assessment.

Figure 13: Handling End Stage Assessments

Exception Assessment (EXA)

This Project Board control is held only to review a significant deviation from an approved Management Stage Plan and to approve an Exception Plan produced, at the request of the Project Board, following an Exception Report.

An Exception Report is produced by the Project Manager to alert the Project Board as soon as it is apparent that a significant departure from the approved Stage and/or Project plan is forecast.

The Exception Report records what has happened to cause the "significant departure" from the approved plan, the impact on the Management Stage, the overall Project Plan and the Business Case. The plan will also recommend appropriate action to take the project to the end of the Stage and, where possible, recover the situation.
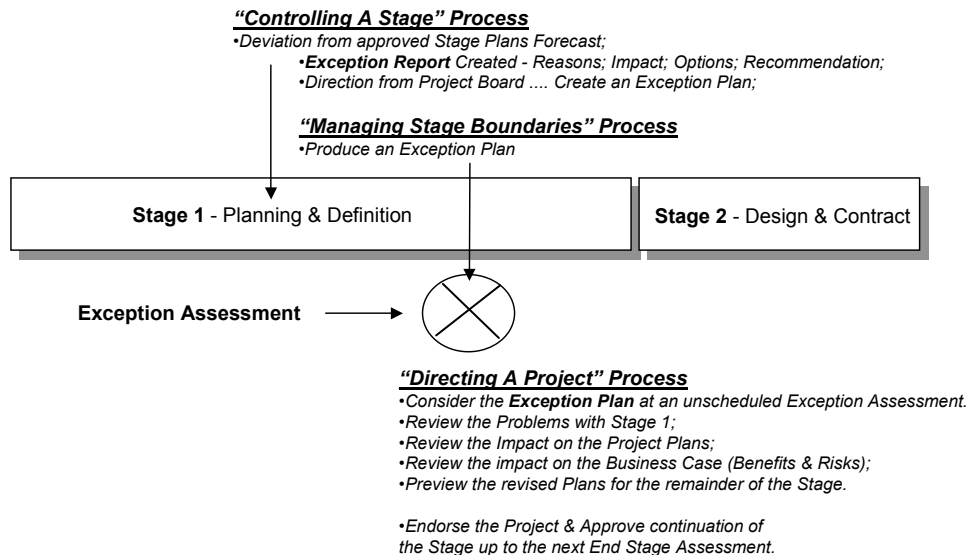

Figure 14: Handling Exception Assessments

Tolerance

The measure of a "significant departure" is that the Tolerance stated by the Project Board at the beginning of the management stage is forecast to be exceeded.

Tolerance may be thought of as the "freedom" that, for example, the Project Manager has been granted by the Project Board to move away from the approved Stage Plan without needing to report the variance. This concept helps establish an environment of "Management-by-Exception" for the Project Board members. This is supported by the Project Manager providing Highlight Reports to the Project Board giving them stage status information without the need for regular meetings. Exception Reports will be created if tolerance is ever forecast to be deviated. The Exception Report will also apply between Team Manager and Project Manager for Work Package Tolerance deviation and similarly between Project Board and Corporate/Programme Management for any forecast deviation of Project level Tolerance.

Tolerance is not time and money to be spent but should be thought of as "trigger" figures which help keep the Management Stage (and the Project Manager) within "tolerable" bounds.

Responsibility for Tolerance stems from the Project Board, with the Executive having responsibility for setting Stage level Tolerance with the Project Manager. The Executive is also responsible for ensuring that an overall Tolerance is set for the project by Corporate or Programme Management and that it is suitably recorded in the Project Brief during *"Starting Up A Project (SU)".*

Tolerance should always be set in terms of both time and cost, as over-concentration on just one aspect will imbalance the overall project resulting in an unexpected and unpredicted time or budget slippage.
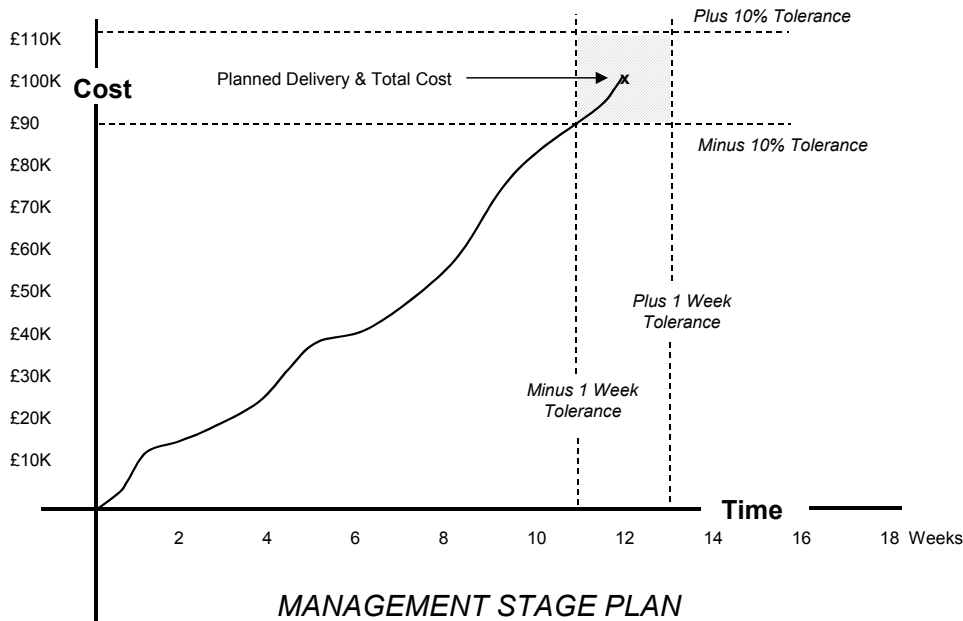

Figure 15: Tolerance - plus/minus 1 week; plus/minus 10%

Standard Tolerance in PRINCE2™ is measured in terms of Time (Schedule) and Cost.
There are other types of Tolerance which may be applied; these include Tolerance on Quality, Scope, Business Benefits and Risk. Essentially, any aspect of the project or Management Stage that can be measured is a candidate for applying Tolerance.

The level of Management Stage Tolerance is decided by the Project Board and set by the Executive following recommendations by the Project Manager. Tolerance is most usually applied to a Management Stage but may also be applied at Project level (set by Corporate or Programme Management and recorded in the Project Brief) and Work Package/Product level (set by the Project Manager for specific Work Packages).

Project Closure

A final review of the project's work is held, usually (but not necessarily) in the form of a Project Board meeting. This is similar to a stage assessment but relates to the entire project rather than a single stage. The objective is to ensure that all the project Products/Deliverables have been satisfactorily delivered to their stated quality standard and that the project documentation is complete.

A review of the project management standards and approaches used by the project will be carried out within the *"Closing A Project (CP)"* Process and a Lessons Learned Report produced for consideration by the Project Board. The Lessons Learned Report records what has been learned from using the PRINCE2™ project management and quality management standards for the project and is initially created as a Lessons Learned Log during the *"Initiating A Project"* process and "populated" as the project progresses
(at the end of each Management Stage); it will eventually be sent to the organisation's manager responsible for quality.

Recommendations will also be made for Follow-on Actions to record and trigger further work which is recommended following the closure of the project. Follow-on Actions will usually be derived from any outstanding Project Issues, shown on the Issues Log.

A Post-Project Review Plan, to enable the organisation to check the realisation of benefits after the project's output has been operating for a while (perhaps 9-12 months following hand-over), will be prepared and authorised by the Project Board.

Highlight Reports

The Project Board is kept informed of the progress of the Management Stage (and the project) against the approved plans via regular, time-related Highlight Reports. These are prepared by the Project Manager and are usually provided monthly, although their frequency will always be agreed with the Project Board.

Highlight Reports are usually sent through the post or by e-mail; the objective is to remove the need for unnecessary time-related Project Board meetings which consume the Project Board members' valuable time, while still keeping them abreast of significant developments. The format for Highlight Reports will typically include:

♦ *a statement of the progress made during the last (usually monthly) period;*
♦ *a statement of problems during the last period, and how they were handled;*
♦ *confirmation of the Activities and Products to be worked on during the next period;*
♦ *a statement of the financial and schedule situation for the overall project and the current Management Stage.*

Some organisations specify that Highlight Reports should be kept to one side of A4 (or its equivalent). Where the project is part of a Programme of work, separate Project and Programme Highlight Reports will normally be produced.

Stages

Stages are partitions of the project with decision points at their conclusion, and sometimes during their life.
PRINCE2™ differentiates between "Management Stages" (which equate to the commitment of resources by the Project Board and a decision to continue with the project and authority to spend) and "Technical Stages" which comprise sets of technical activities leading to a stated and required Product.
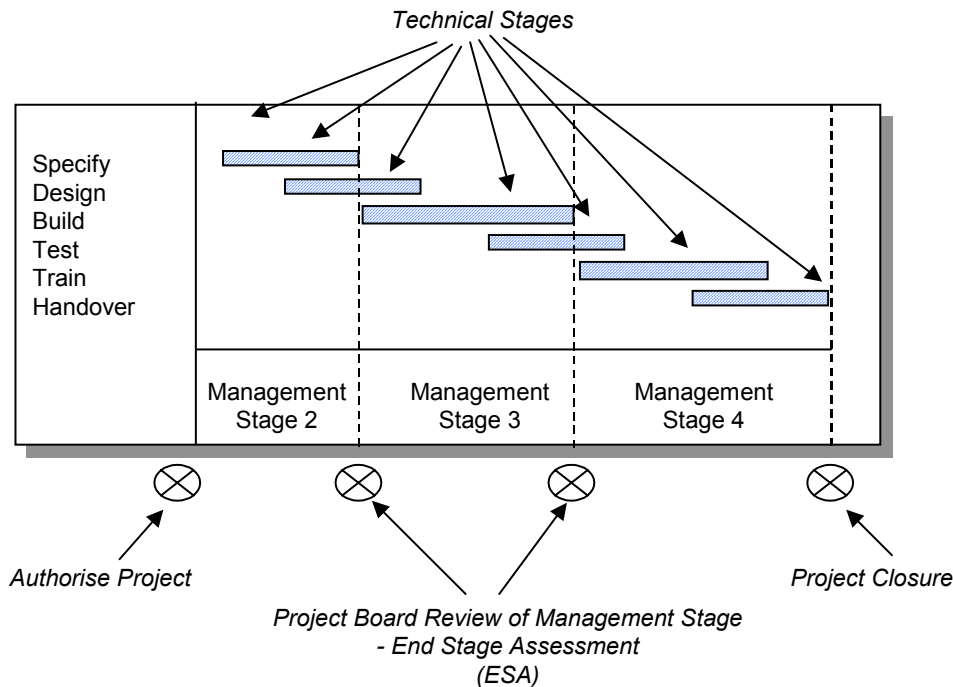
Figure 16: Management & Technical Stages

Technical Stages will often be planned to overlap and be run in parallel; they are normally planned and managed by Team Managers who report to, and take direction from, the Project Manager. Management Stages will always run in series.

In _figure 16_, some of the Technical Stages have been planned to run in parallel. Of course, in a smaller project these might well be described as "Technical Activities"; in medium to larger projects, the Activities will often combine to provide the Technical Stages under the immediate control of a Team Manager.

In only the most exceptional circumstances will authority be given for work to commence on the next Management Stage _before_ all the Products of the current Management Stage are completed and approved.

Business Benefits and Risk Management

PRINCE2™ places emphasis on the Business Benefits for the project; they are described by the Method as _"...the driving force behind the project ..."_. The purpose of the PRINCE2™ Business Case is the identification and measurement of the Business Benefits and the continued review of them as the project progresses through its Management Stages. Closely associated with the Business Benefits are the Risks that the project faces, typically for example:

♦ _Failure of suppliers to meet contractual commitments;_
♦ _Collapse of contractors;_
♦ _Insufficient resources, time and/or funding;_
♦ _New or changed legislations;_
♦ _Corporate change of direction._

The Method does not specify any required way of measuring Business Benefits or assessing Risks although Costs:Benefits Analysis (C:BA) and Investment Appraisal, along with Sensitivity Analysis are covered in the Business Case Component and discussed in the reference manual. Whatever the chosen approach, PRINCE2™ requires the Business Case and Risks to be updated on a regular basis – at least at the end of each Management Stage in preparation for the End Stage Assessment. This provides the Project Board with sufficient, up to date, information on which to base their decision on the continuing viability of the project.

Any existing software support packages for managing Business Benefits and Risks should continue to be used provided the information assembled and analysed is of use to the Project Board in their decision making. PRINCE2™ does provide sufficient guidance to enable implementing organizations to provide the basic information that is likely to be required.

Planning For Quality

PRINCE2™ presumes that the project will be managed under the umbrella of a published Quality Management System (QMS) conformant to ISO9001. If such a QMS is not present the Method compensates by specifying that quality must be planned from the outset. Planning Quality takes place in the "Initiating A Project (IP)" Process and the resultant Project Quality Plan is incorporated into the Project Initiation Document (PID) and used throughout the project. The Process provides the following:

♦ *it establishes a Quality regime for the project;*
♦ *it defines the overall project quality criteria and assurance arrangements to be employed by the project;*
♦ *it establishes the approach to control of change during the project.*

Responsibility for planning quality lies with the Project Manager, working in close association with those responsible for quality (i.e. the Quality Manager).

Quality Controls - Quality Review

Quality controls are applied to specific products rather than to the overall output of a stage or project. The aim is to identify and correct errors as early as possible in the development process.

They will usually take the form of a formal or informal quality review, whichever is specified in the Product Description.
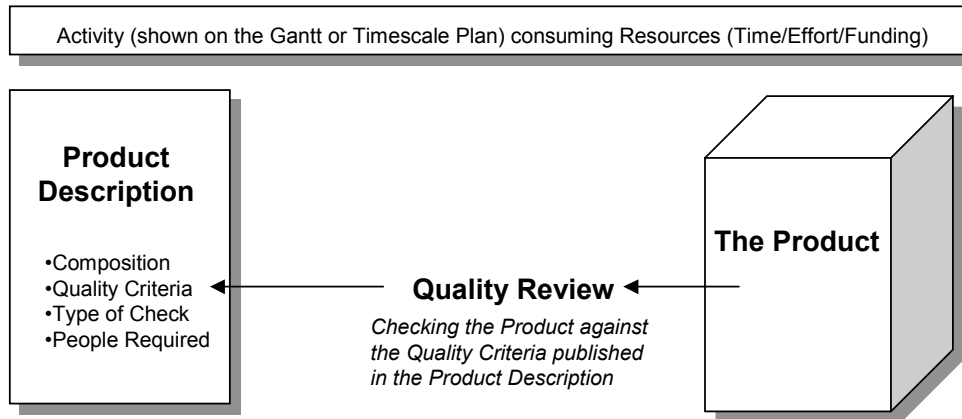
Figure 17: The Product Description & Quality Review Relationship

Quality control may take many forms. From a visual inspection, through a test programme, to a formal meeting. These are all Techniques and PRINCE2 describes some, but not all that might be available - the selection of appropriate Techniques is left to the implementing organisation. However, one of the most powerful Techniques is the Quality review which has been successfully used in a wide variety of projects for a number of years.

The Formal Quality Review has three steps:

♦ **Preparation** - *where the Product is measured against the Quality Criteria contained in the Product Description, and Question Lists are created by selected Reviewers who are experienced and are able to make a suitable contribution.*

♦ **Review** - *where the Product is "walked-through" by its Producer and an agreed list of Follow-up Actions is agreed. The Reviewers who prepared the original Question Lists attend this Review.*

♦ **Follow-up** - *where the identified faults, errors, omissions and inconsistencies in the Product or Deliverable are fixed, agreed and signed-off.*

At each Quality Review, appropriate Supplier and user/customer staff are designated to examine a Product to ensure that it is complete and correct; these "appropriate resources" are identified in the Stage-level Plan and the corresponding Product Description which are both created in the *"Managing Stage Boundaries (SB)"* Process.

The Product is reviewed against defined quality criteria contained within the Product Description, which assures its technical integrity and its compliance with user or customer requirements; It is thereafter an "Approved Product "subject to formal change control procedures. If any subsequent changes are made to Approved Products, there should always be a reference back to the original Product Description to determine whether a corresponding change needs to be made. This procedure applies to informal quality reviews (for example a test, visual inspection, or desk-check) and to formal quality reviews where 2-3 reviewers meet with the author of the product under the chair of a suitably senior person to "walk-through" the product.

Change Control

Unplanned situations relating to changes to one or more Products need to be captured as "Issues" relating to the project.

Examples of this are good ideas that project team members identify, resource changes, request for change, errors discovered in a finished product and departures from the agreed specification (off-specifications). Because the situation is unplanned, it needs to be recorded and action agreed, in order to contain the impact and prevent wider divergence from plans. Issues are best handled within the framework of a formal Configuration Management scheme.

A Project Issue will be raised to cover any situation which needs to be addressed within the project and to a large extent is a "catch-all" for many unforeseen incidents; for example, where no agreement can be reached on the outcome of a Quality Review, am Issue will be raised to alert the Project Manager.
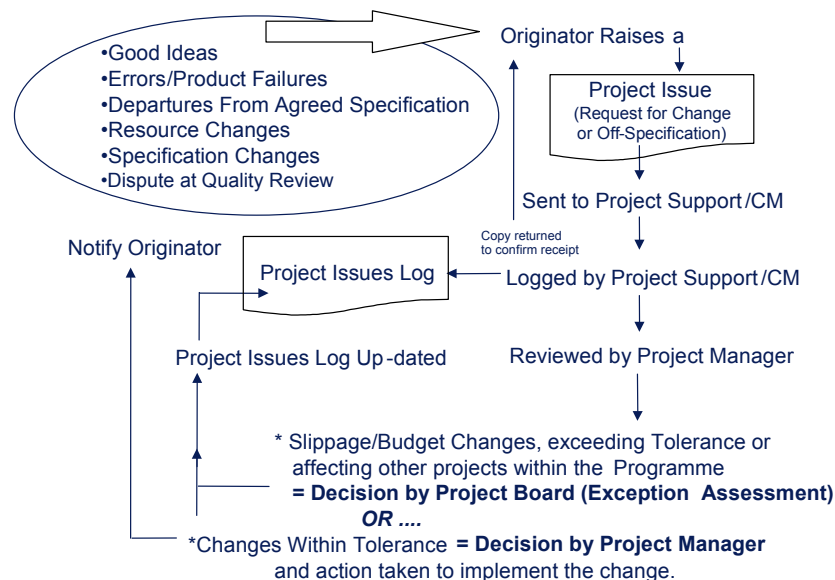

Figure 18: A Suggested Procedure For Controlling Changes

Configuration Management

A Configuration Management Method (CMM) controls the development of products (both management and specialist products) by providing a formal mechanism for labelling products, tracking their development status, and the relationships between them. PRINCE2™ does not define or recommend a specific CMM but emphasises the need for a suitable system and clearly states that the presence of suitable arrangements for Configuration Management is not optional.

Configuration Management can be particularly useful in tracking back problems with delivered, signed-off Products which fail to perform as expected in operation; identification of the developer or supplier is vital to ensure that problems are tracked back to source and appropriate action taken.

Filing Arrangements

As part of Configuration Management PRINCE2™ requires that documentation produced during the project be properly filed. Where existing filing arrangements are in force, or where organisations wish to arrange things differently, this may be done without conflicting with the Method.

The PRINCE2™ reference manual contains a suggested filing structure at Appendix E. The three main types of file suggested are the 'Project File', a separate 'Stage File' for each Management Stage of the project and a 'Quality File'.
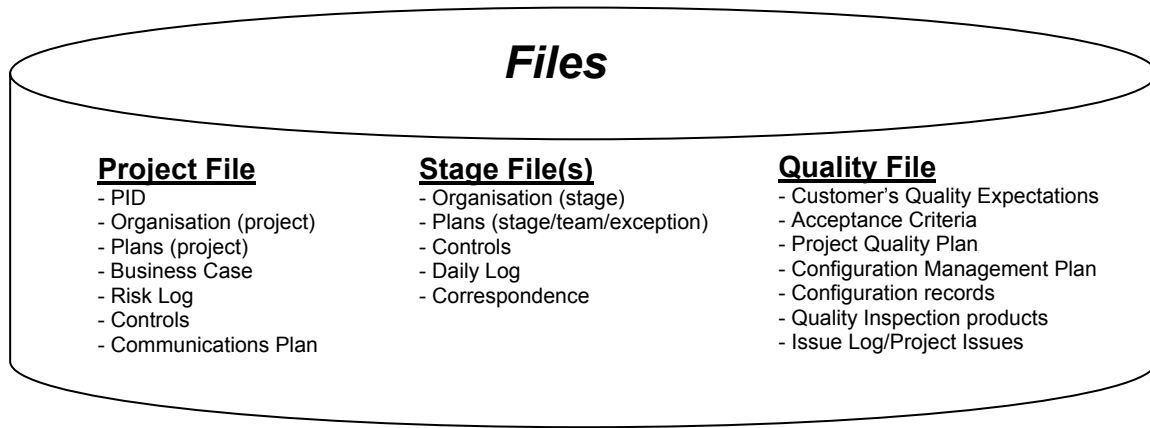
Files

Project File
- PID
- Organisation (project)
- Plans (project)
- Business Case
- Risk Log
- Controls
- Communications Plan

Stage File(s)
- Organisation (stage)
- Plans (stage/team/exception)
- Controls
- Daily Log
- Correspondence

Quality File
- Customer's Quality Expectations
- Acceptance Criteria
- Project Quality Plan
- Configuration Management Plan
- Configuration records
- Quality Inspection products
- Issue Log/Project Issues

Figure 19: A Filing Structure Suitable for PRINCE2™

Software Support for PRINCE2™

Any software planning and/or estimating tool may be used with the PRINCE2™ Method. A software planning product will normally provide a complete electronic support function enabling the Project Manager (or Project Support) to keep track of the many project documents that are created during the life of the project and to launch any application that is needed to manage the project.

The SPOCE Project Management Limited *P2 LaunchPad* contains help files for the PRINCE2™ Method in an easy to reference and understand format and "templates" for the creation of the Project Brief, Project Initiation Document and many other useful documents. The Personal Edition is ideal for Project Manager's looking for a quick route to template documents and help files. P2 LaunchPad Corporate Edition provides companies with extra options, and can incorporate existing documentation to supplement the basic material. The Corporate Edition is supplied with the source files and a 100-User single-site network license. A demonstration can be viewed on www.p2launchpad.com.

The opening screen from P2 LaunchPad Personal. From this screen all the templates and forms can be accessed. Information on the PRINCE2™ Processes, Components and Techniques can also be loaded; these are based on "Understanding PRINCE2™". This book is also available in electronic format from this opening screen.

Figure 2-20: P2 LaunchPad Personal Edition Main Screen

The Map Navigator screen enables templates and forms to be loaded directly from the complete Process view.

All screens provide access to information on the PRINCE2™ Processes, Components and Techniques and "Understanding PRINCE2™" in Acrobat format.
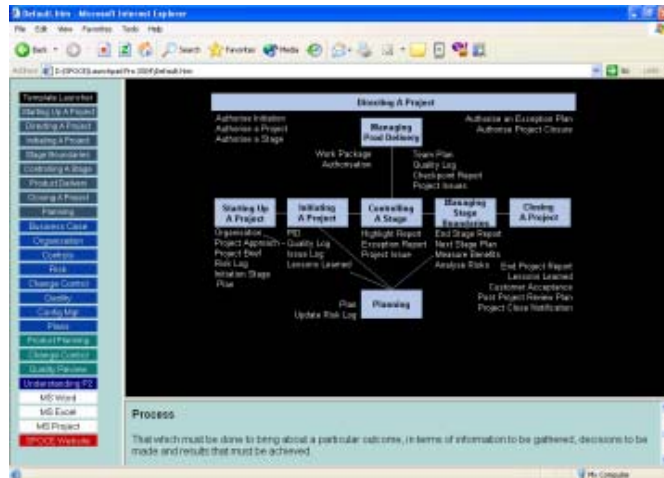

Figure 2-21: P2 LaunchPad Map Navigator Screen

This is a view of the PRINCE2™ "Organisation" Component.

An overall summary of each role can be accessed by clicking on the relevant box within the organization structure. More information can be obtained by clicking the "Understanding PRINCE2™" icon. Specific templates for the Organisation Component are accessed from the top of the screen.
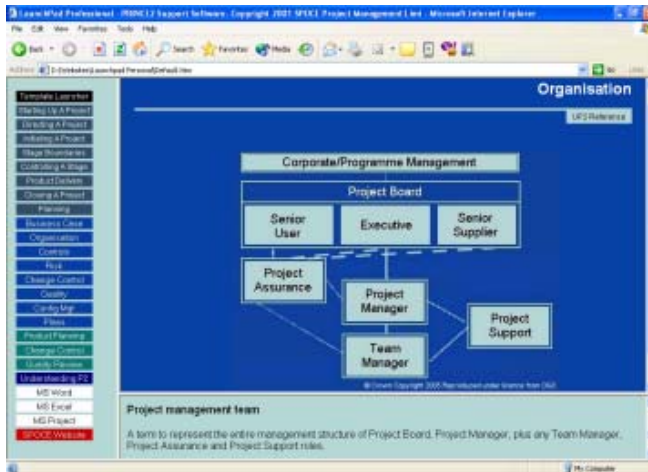
Figure 2-22: P2 LaunchPad Organisation Screen

Both variants of the Launch Pad provide an excellent start point for professional project managers keen to get to grips with the practical use of the Method. The Personal Edition can be downloaded from www.spoce.com or purchased by contacting the company (fax or 'phone) on +44 (0)1202 736373 e-mail enquiries@spoce.com or visit www.spoce.com. The Corporate Edition is available on www.p2launchpad.com.
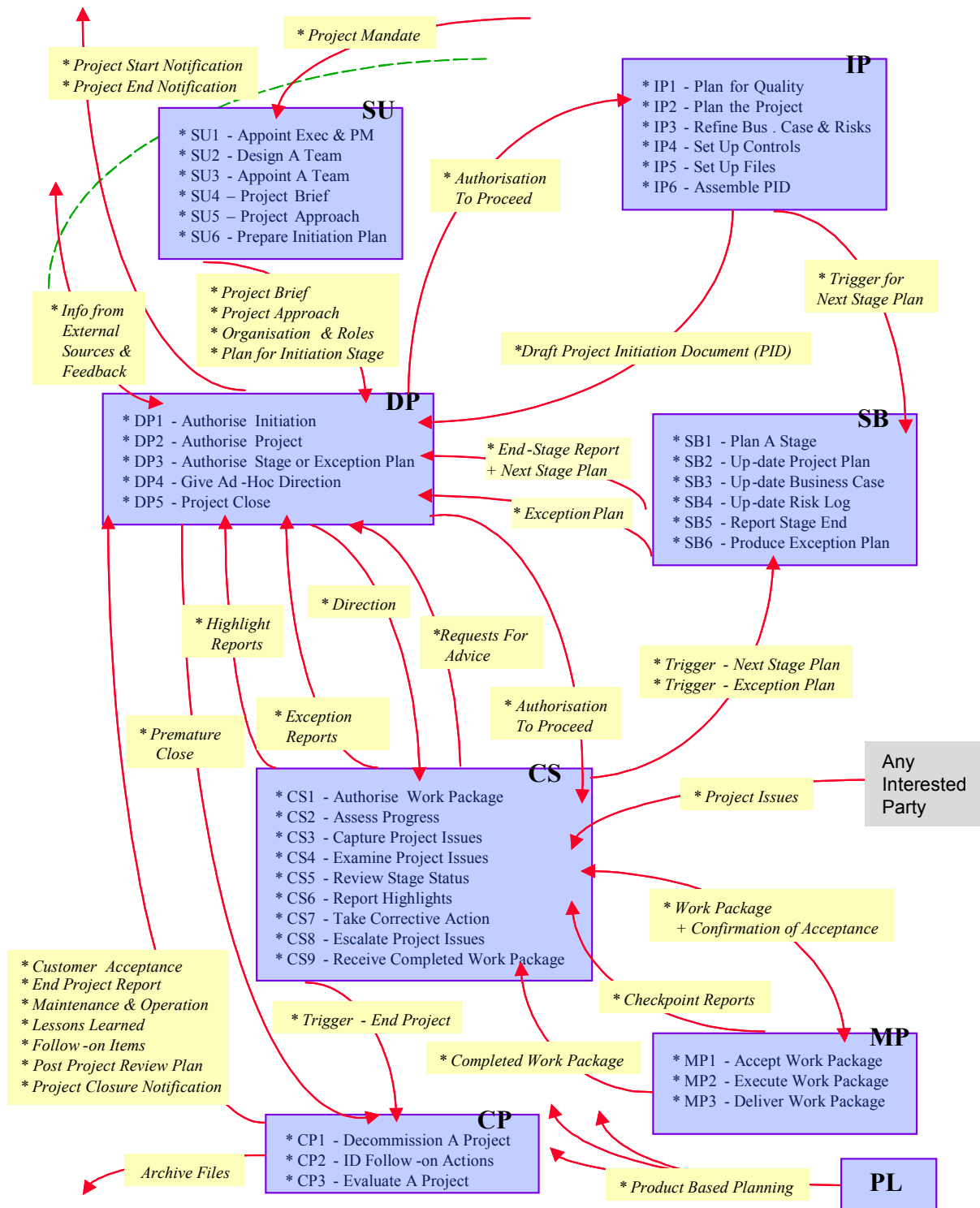
Figure 23: Structure Model of the PRINCE2™ Process Model And Major Product Flows

NOTES		
Topic		*Reference*