



The 7 Themes (Part 2)

Lesson#6

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What Are Themes?

- Areas of project management that must be addresses continuously throughout the project
- Themes are based upon the 7 principles
- Themes are applied by using the 7 processes





The 7 Themes

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





Plans

PRINCE2 Foundation

Plans



- Facilitates communication and control by defining the means of delivering the products
- Define how, when, for how much, by whom, and where the project will deliver its product



3 Levels Of Plans



Project Plan (Used by the Project Board)

- Contains project level costs, timescales, and control points
- Updated at the end of each stage to reflect actual progress and revised forecasts

Stage Plan (Used by the Project Manager)

- Used for day-to-day management of the project
- Only one per project stage

Team Plan (Used by the Team Manager)

- Covers the work to be done by a team
- Can have multiple team plans or work packages

An Exception Plan



- New plan created to replace a Stage Plan or Project Plan to overcome an issue
- This is not an updated version of an existing plan
- Corporate or Program Management must approve one that replaces the Project Plan
- Project Board can approve one that replaces the Stage Plan



Budget Planning



Always plan for and consider...

- Product and Management Funding
 - Activities to create specialist products and management
- Change Budget
 - Activities for authorized changes to baseline products
- Risk Budget
 - Activities needed to respond to risks
- Cost Tolerance
 - Cost overruns within a certain tolerance

Product-based Planning

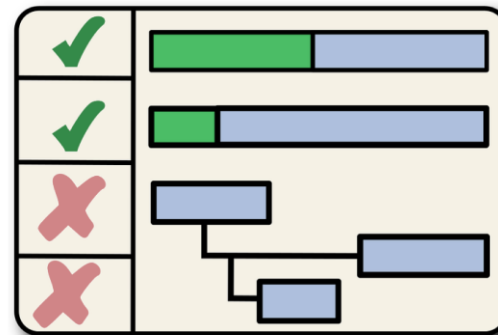


- Writing a project product description
 - Define what the project must deliver
- Creating a product breakdown structure
 - Show products that are within the scope
- Writing product descriptions
 - Written requirements for each major product
- Creating a product flow diagram
 - Define the sequence of events in which products will be developed

Planning for Stages



- Determine how long each stage should be
- Determine how many stages there should be
 1. How far out can you plan (planning horizon)?
 2. How many delivery steps will there be?
 3. How does it align with other program activities?
 4. What level of risk is there?





PRINCE2 Minimum Requirements

- Plans enable the business case to be realized
- Produce a project plan, stage plan, and team plan (work packages) for each stage
- Produce exception plans (when required)
- Create a project product description, product descriptions, and product breakdown structure
- Define roles and responsibilities for planning





Risk

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Risk



- To identify, assess, and control uncertainty and improve the ability of the project to be successful



What Is Risk?



- An **uncertain event** which will have an effect on the project's objectives.

...the event may or may not occur...



What Is Risk?



- An uncertain event which will **have an effect** on the project's objectives.

...the effect could be positive or negative



Risk Is Not A Project Issue...



- Project Issue
 - An event which has happened but wasn't planned
- Risk
 - An uncertain event which will have an effect on the project's objectives
 - When a risk occurs it could become a project issue



Realizing Risk



- Threat
Risk realized with negative impact
- Opportunities
Risk realized with positive impact



Risk Budget



- Money that is used to fund any risk responses
- How much risk are you willing to accept?

Measured by your organization's Risk Appetite

- Risk tolerance is the threshold that must not be exceeded without an exception occurring



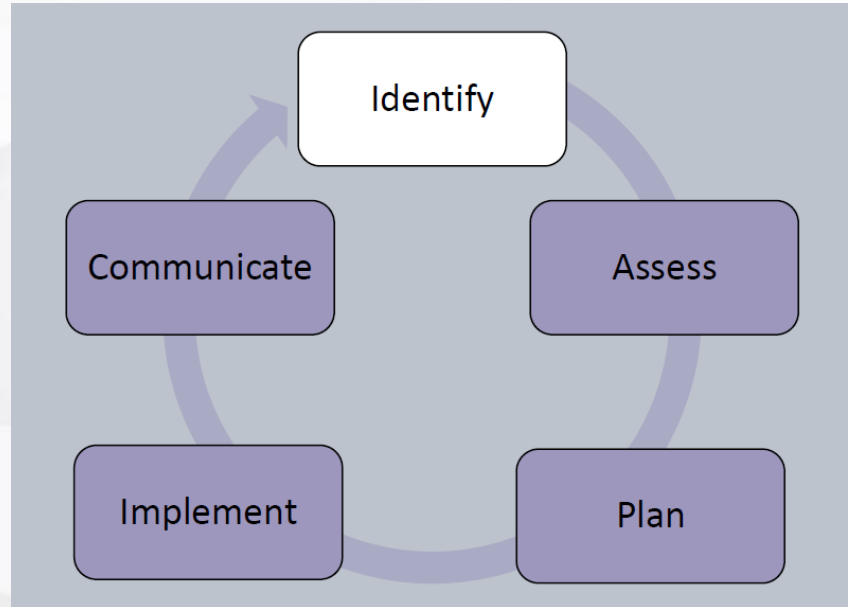
Risk Management Approach



- Written outline of risk management approach
- Risk Register
 - Documentation of all risks in a project
 - Used by the Project Manager to capture all risks

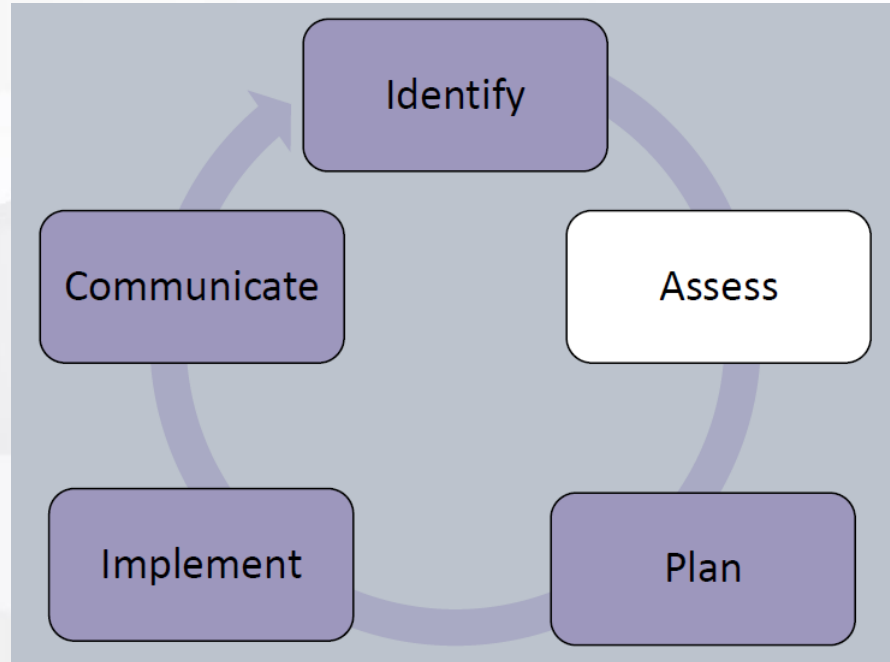


Risk Management Procedure



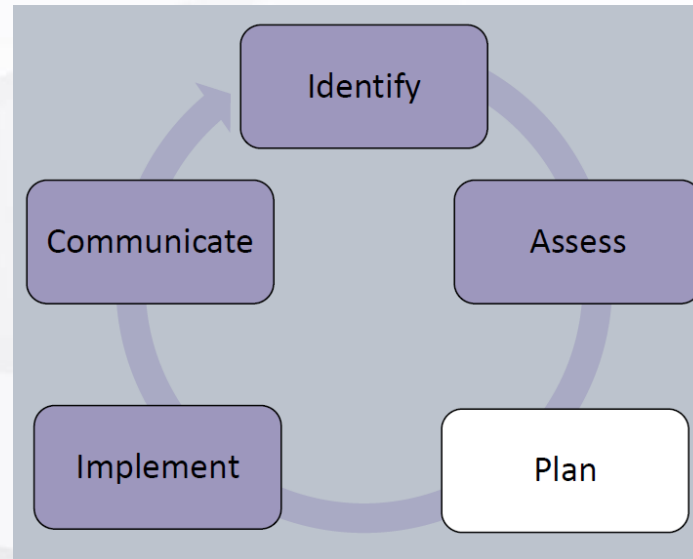
Threats and Opportunities are identified and described in terms of the cause (its source), event (the area of uncertainty), and effect (its impact)

Risk Management Procedure



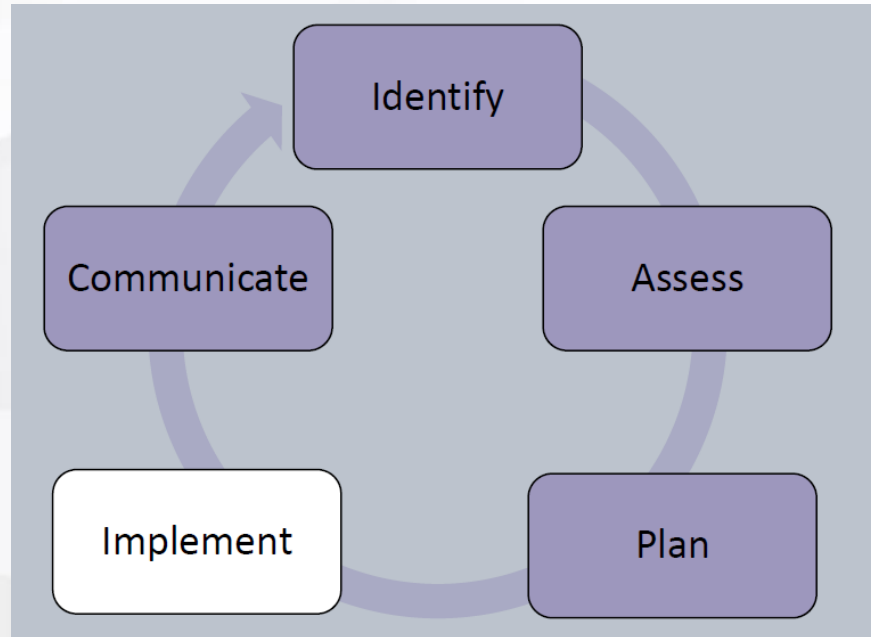
Estimate the probability (likelihood), impact, proximity (when is it likely to occur), and evaluate the overall net effect of ALL risks

Risk Management Procedure



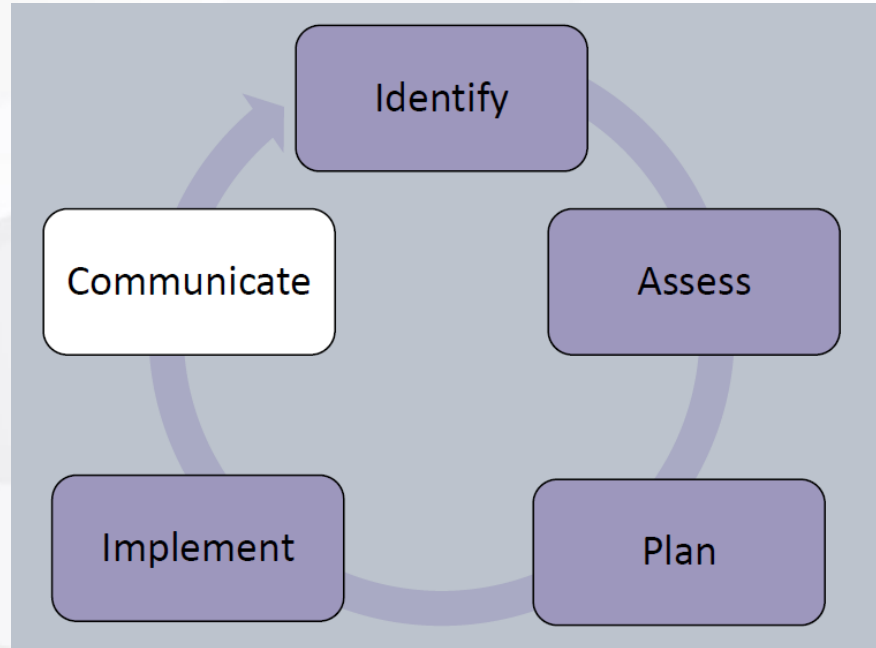
Planning occurs for one or more specific risk responses

Risk Management Procedure



Take action in response to the chosen risk and assign a risk owner (person responsible for managing the risk) and the risk actionee(s) who will carry out the risk response

Risk Management Procedure



Report the status of the risk to the stakeholders using other PRINCE2 reports (as appropriate), such as Highlight or Exception reports

Risk Responses



Threats	Opportunities
Avoid	Exploit
Reduce	Enhance
Accept	Reject
Transfer	Transfer
Share	Share
Prepare Contingency Plans	Prepare Contingency Plans

After addressing the primary risk, there is also some *residual risk* leftover that should receive a risk response, too.



PRINCE2 Minimum Requirements

- Define a Risk Management Approach describing risk management procedures used
- Maintain a risk register to record/manage risks
- Identify, assess, manage, and review risks throughout the project
- Define roles and responsibilities for risk management
- Use lessons learned to inform risk decisions





Change

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Change



- To identify, assess, and control any potential and approved changes to the project baseline



Baseline



- Only for products that have been approved by those in authority and deemed fit for purpose
- Product has been given a version number



Project Issue



- Event that has happened and wasn't planned
- Requires management action to overcome
- Request for Change (RFC)
 - Request a change to the baseline
- Off-specifications
 - Product requirements cannot be met
- Problems or Concerns
 - Anything outside of an RFC or off-specification
- If the project issue will exceed a tolerance, then an exception is created

Resolution of Project Issues



Formal

- Requires formal advice from the Project Board
- Project Issue is logged in the issue register
- Issue Report is written by the Project Manager

Informal

- Issue is recorded in the Daily Log
- Daily log is used by Project Manager to track issues that can be solved at their own level



Change Control Approach



- Documentation of how a project will manage issues and changes
- Issue and Change Control Procedures provide the detailed steps to be utilized

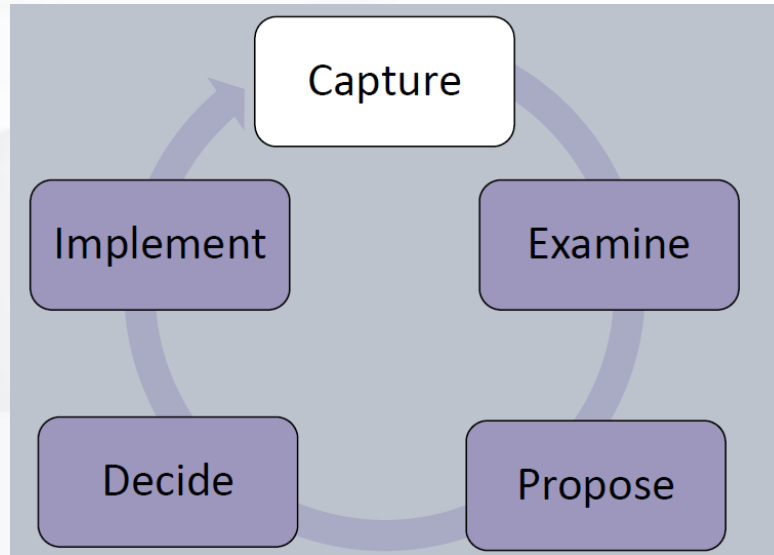




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Issue And Change Control Procedures



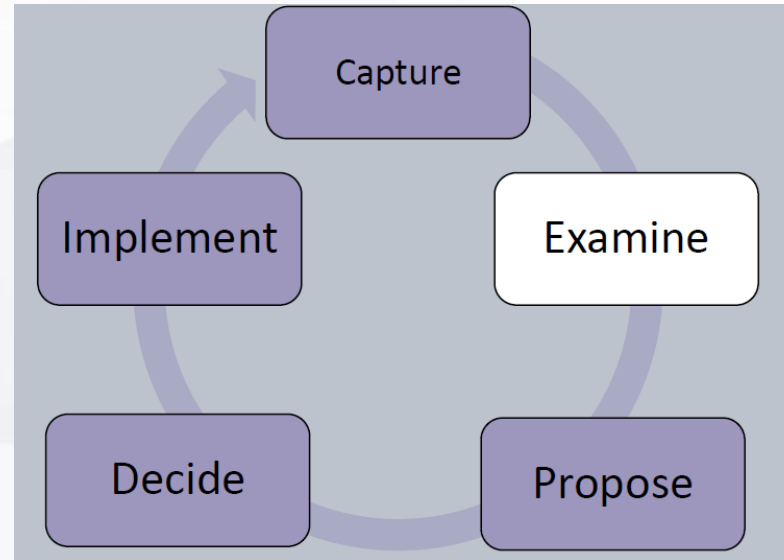
Record the issue in either the daily log (informal) or issue register (formal)



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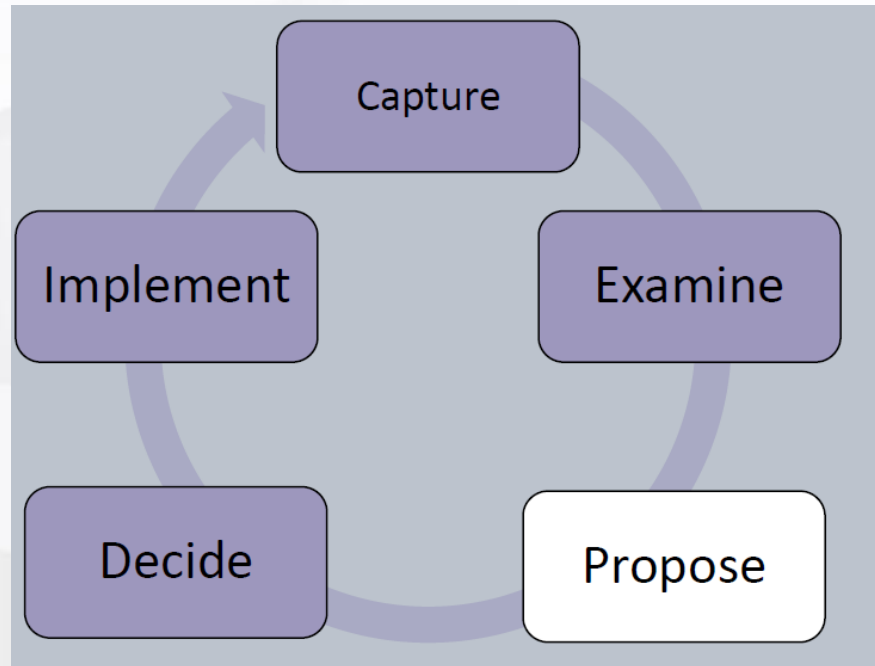
Issue And Change Control Procedures



Perform an impact analysis to determine the impact on cost, time, quality, scope, benefits, or risk



Issue And Change Control Procedures

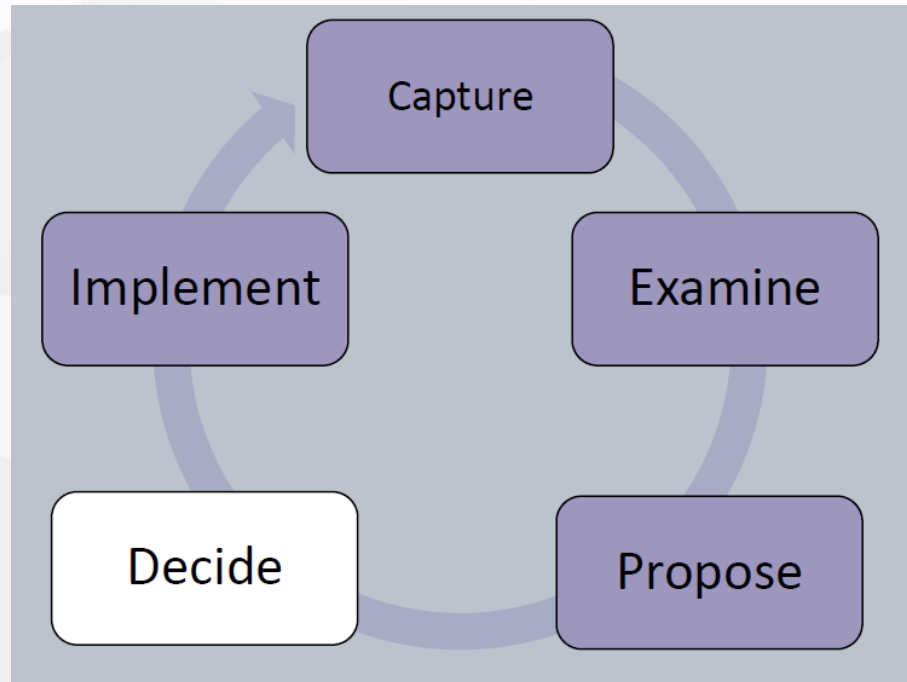


Consider the alternative options for responding to the project issue



Issue And Change Control Procedures

Determine the best option for the best overall value for the money



Approval for Changes

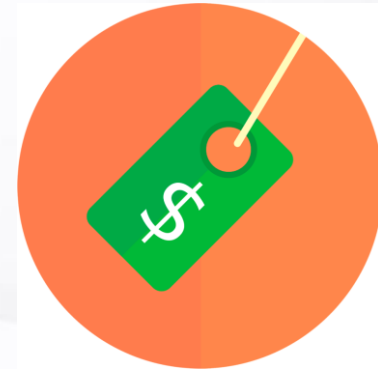


Change Authority

- Reviews and approves RFC's and Off-specifications
- Performed by the Project Board by default
- Role can be delegated

Change Budget

Special budget set aside to fund approved changes



Configuration Management



- The project needs to be able to identify different versions of its product or products
- Configuration Item Record
 - Record with status and version of a given product
- Product Status Account
 - Report containing the status of one or more products
 - Useful for Project Manager to determine if a product was approved or is still undergoing its quality methods



PRINCE2 Minimum Requirements

- Define a Change Control Approach describing issue and change control procedures used
- Maintain an issue register (formally) or daily log (informally) to record/manage project issues
- Define roles and responsibilities for change management
- Use lessons learned to inform change decisions





The 7 Themes

- **Business Case**
- **Organization**
- **Quality**
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Progress

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Progress

To establish mechanisms to monitor and compare actual achievements against those planned, provide a forecast for the project objectives and the project's continued viability, and to control any unacceptable deviations





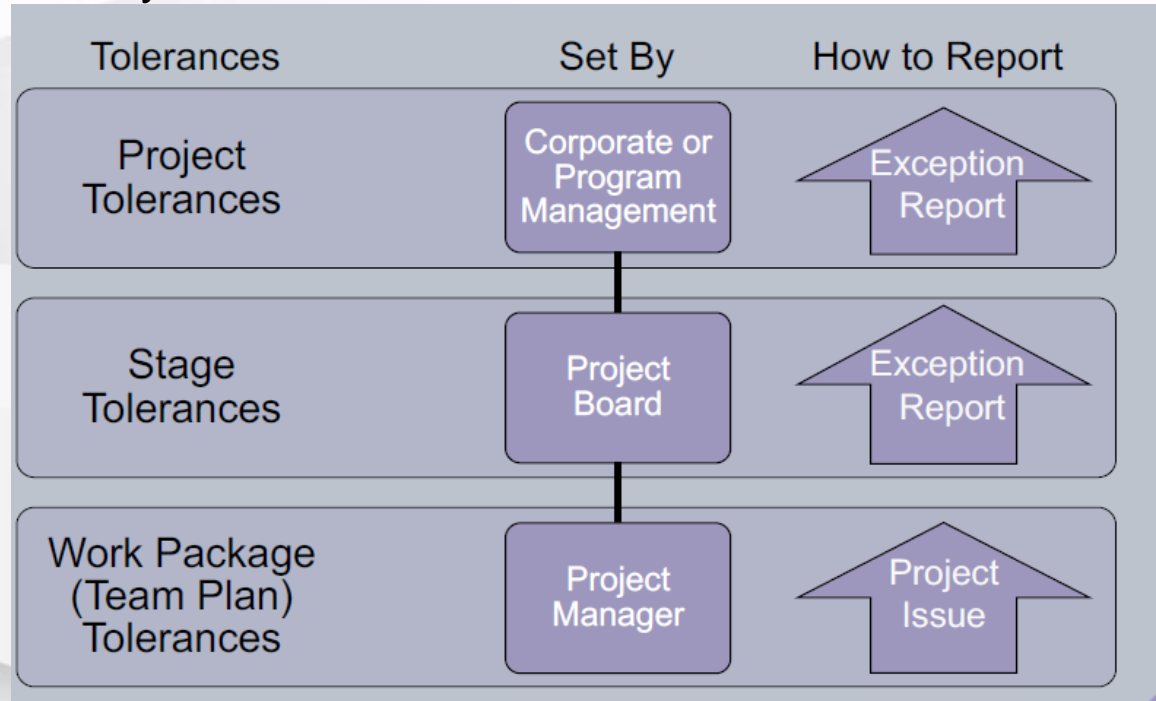
Effective Progress Controls

- Delegate authority from one level of management downwards to the next
- Divide the project into stages and authorize them one at a time
- Time-driven or event-driven progress reports and reviews
- Raise exceptions
 - Project controls should be documented in the Project Initiation Document (PID)



Tolerances Are Important Controls

Permissible deviation from the plan before bringing it to the attention of a higher authority





Two Types Of Progress Controls

1. Time-Driven Controls

- Monitoring and reporting are often time-driven
- Occur at the agreed upon frequency
- Example: Highlight report submitted every two weeks



2. Event-Driven Controls

- Controlling a project is often event-driven
- Occur when a specific thing happens
- Example: When an exception or issue report is received





Progress Theme Documents

- **Work Package**
 - Work begins when authorized by project manager
- **Lessons Log**
 - Lessons added when learned during a review
- **Lessons Report**
 - Collects lessons and aids future forecast accuracy
- **End Stage Report**
 - Conducted at the end of the stage to assess project's viability to continue
- **End Project Report**
 - Conducted at the end of the project to evaluate the project and authorize the project's closure



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Controls Used By The Project Manager

- **To create baselines**

Project plan, Stage plan, Exception plan, and Work package

- **To review the progress**

Issue register, Risk register, Quality register, Product status account, and Daily log

- **To capture and report lessons**

Lessons log and Lessons report

- **To report progress**

Checkpoint report, Highlight report, End stage report, and End project report