



# PRINCE 2'S ISSUES PRACTICE

Its purpose, key management products, and more

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# Purpose of the issues Practice

## ISSUE

An issue is an event relevant to the project that requires project management consideration.

Issues may be raised at any time during the project by any team member or stakeholder and captured in the project log.

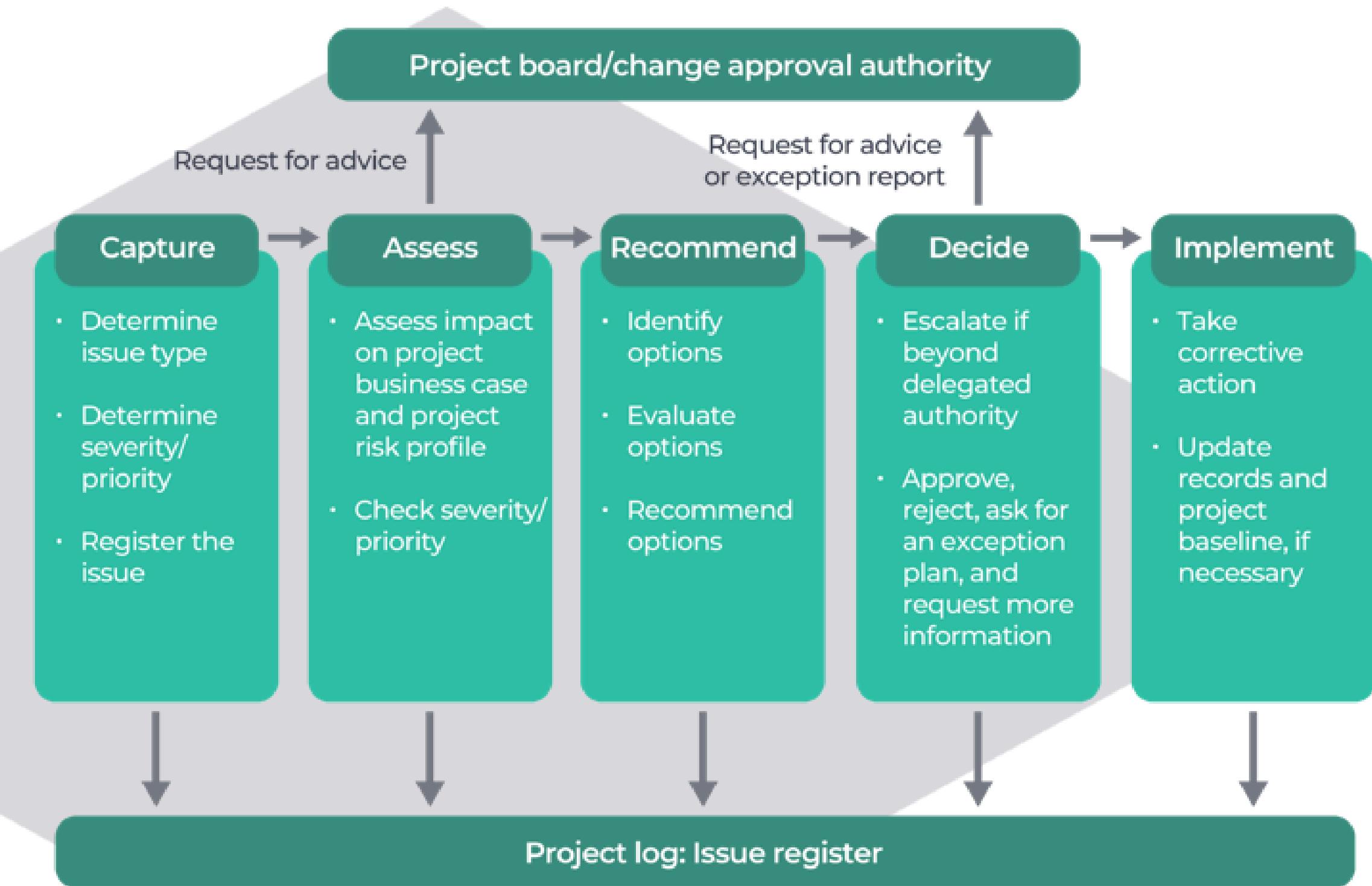
## CATEGORIZED

PRINCE2 7 recommends that all issues are categorized as either:

- a problem or concern
- an event external to the project
- a business opportunity
- a request for change
- off-specification.

# The issue management procedure

**PRINCE2 includes a five-step issue management procedure** whose purpose is to identify, assess, and control any potential and approved changes (issues)



If an alternative procedure is used, it should be documented as part of the tailoring decisions in the **project initiation documentation**

# Purpose of the issues Practice

## ISSUE PRACTICE

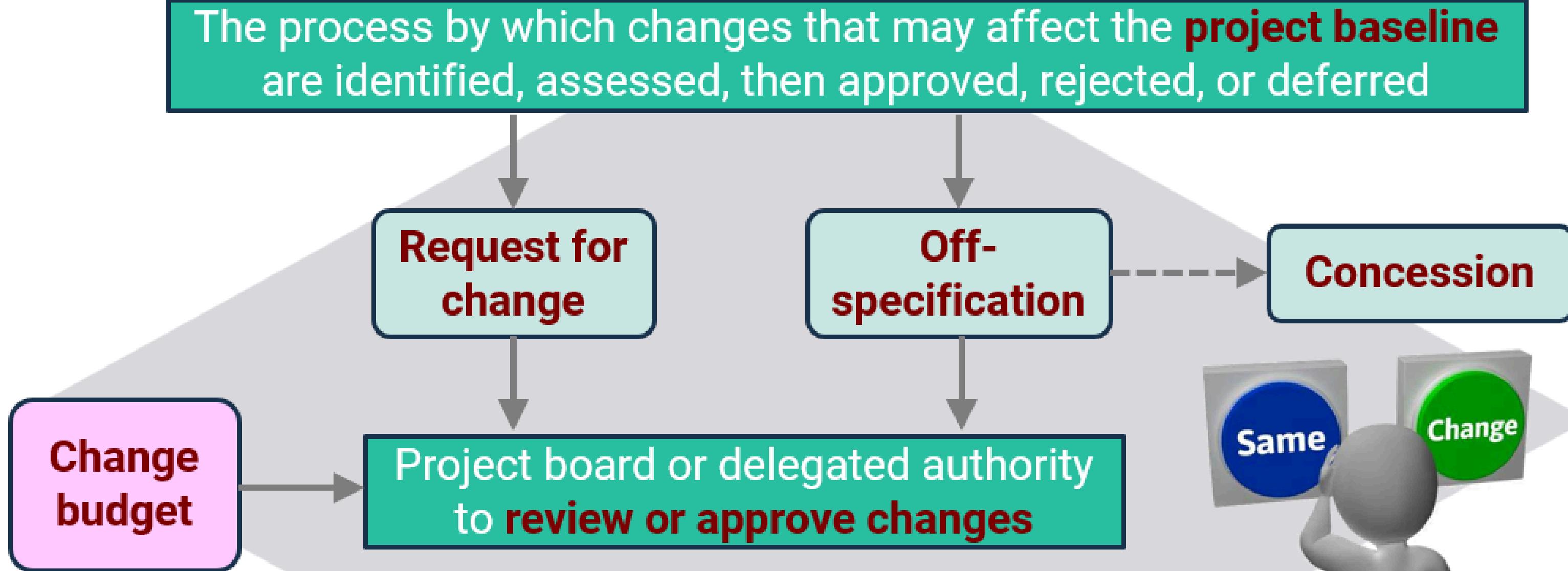
The purpose of the issues practice is to collect and assess issues and control changes to the project's baseline.

A project baseline is defined as the current approved versions of the management products and project products that are subject to change control.

In PRINCE2, issue management encompasses change control.

Change can only be assessed in terms of its impact on the project as understood and approved by the project board

# The change control process - 1



**The issue management approach** describes the project's **change control procedure**, including how **project baseline change proposals** will be recorded and decided

These **proposals** to change a project baseline can be a **request for change** or an **off-specification**

# Relationship To The Principles

## CONTINUED BUSINESS JUSTIFICATION

- Issues are assessed based on their impact on the business case.  
Example: If an issue arises that could significantly increase costs or reduce benefits, the project board may decide to escalate or terminate the project.

## LEARN FROM EXPERIENCE

- Past project issues inform current decision-making  
Example: The Issue Register and Lessons Log capture previous issues to prevent recurrence in future projects

# Relationship To The Principles

## DEFINED ROLES AND RESPONSIBILITIES

- PRINCE2 ensures that roles are clearly defined for issue management.

Example: Issues can be raised by any team member but decisions are finalized at the Project Board

## FOCUS ON PRODUCTS

- Issues that affect the quality or delivery of products are prioritized

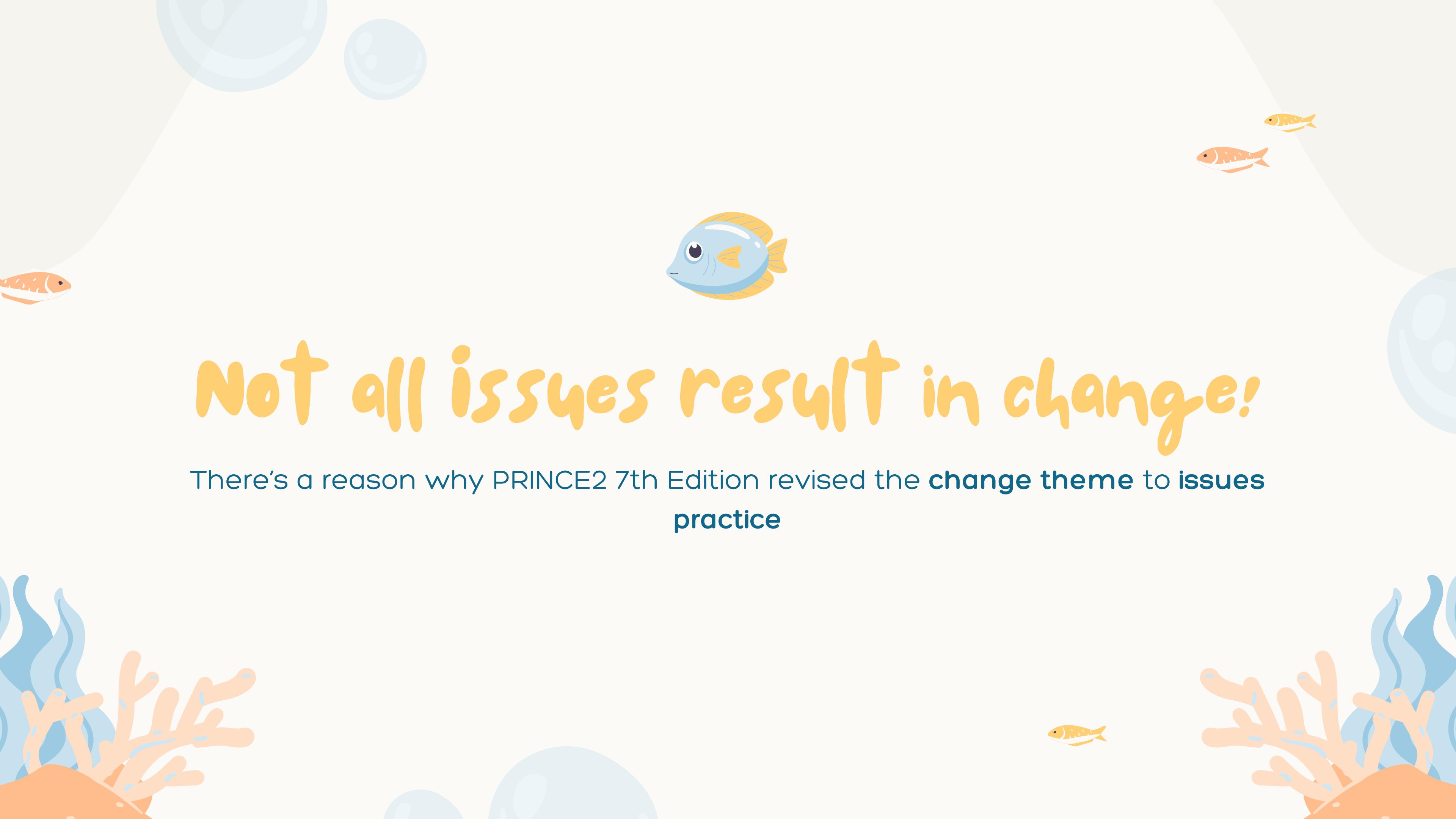
Example: If a deliverable doesn't meet requirements (off-specification issue), it is logged and resolved through issue management

# Relationship To The Principles

## TAILOR TO SUIT THE PROJECT ENVIRONMENT

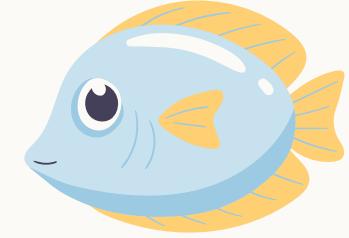
- Depending on the project's overall environment, project managers should tailor the key management products on handling issues

Example: Certain projects can have their own way of creating issue reports, as well as delegating authority on who handles and/or escalate these issues.



# Not all issues result in change!

There's a reason why PRINCE2 7th Edition revised the **change theme** to **issues practice**



ISSUE

Anything that **CAN** impact the project

CHANGE

Changing the baseline is needed

BASELINE

Approve/Disapprove the change



# issue Management Approach

A “How-To” document that tells us how to collect, assess, and control changes  
to our baseline

# Elements of issue Management Approach

## BASELINE

A “snapshot” of our the state of the project (i.e., baseline documents)

## ISSUE RESOLUTION

A “how-to” on identifying, categorizing, and approaches for an issue

## CHANGE CONTROL

A “how-to” on changing any baseline

# Elements of issue Management Approach

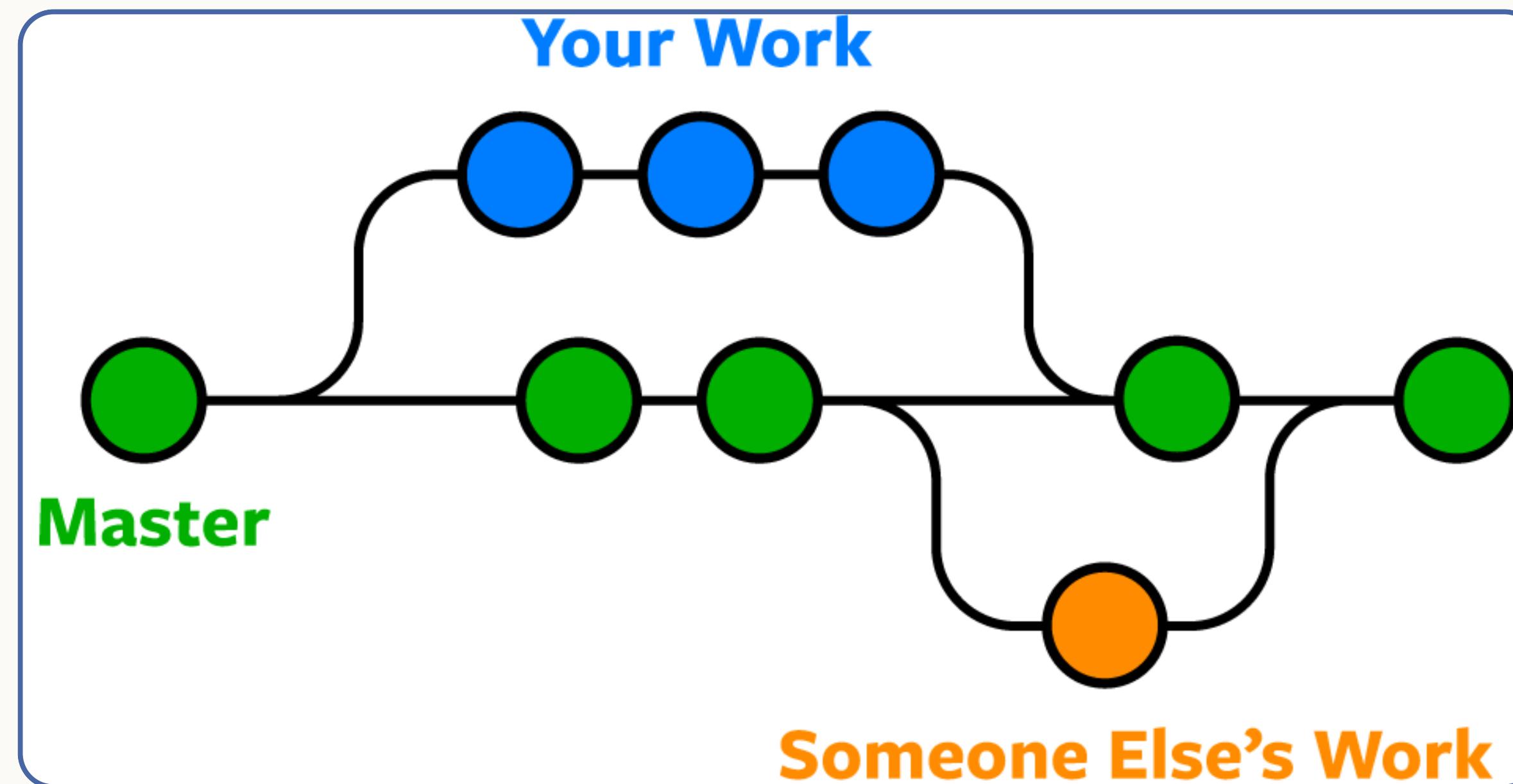
## DELEGATING AUTHORITY

A section that describes the other authority who can approve/escalate issues aside from the project board

## CHANGE BUDGET

Like tolerances, it is a section that states the budget in applying changes

# Baseline



# Baseline

BUSINESS CASE

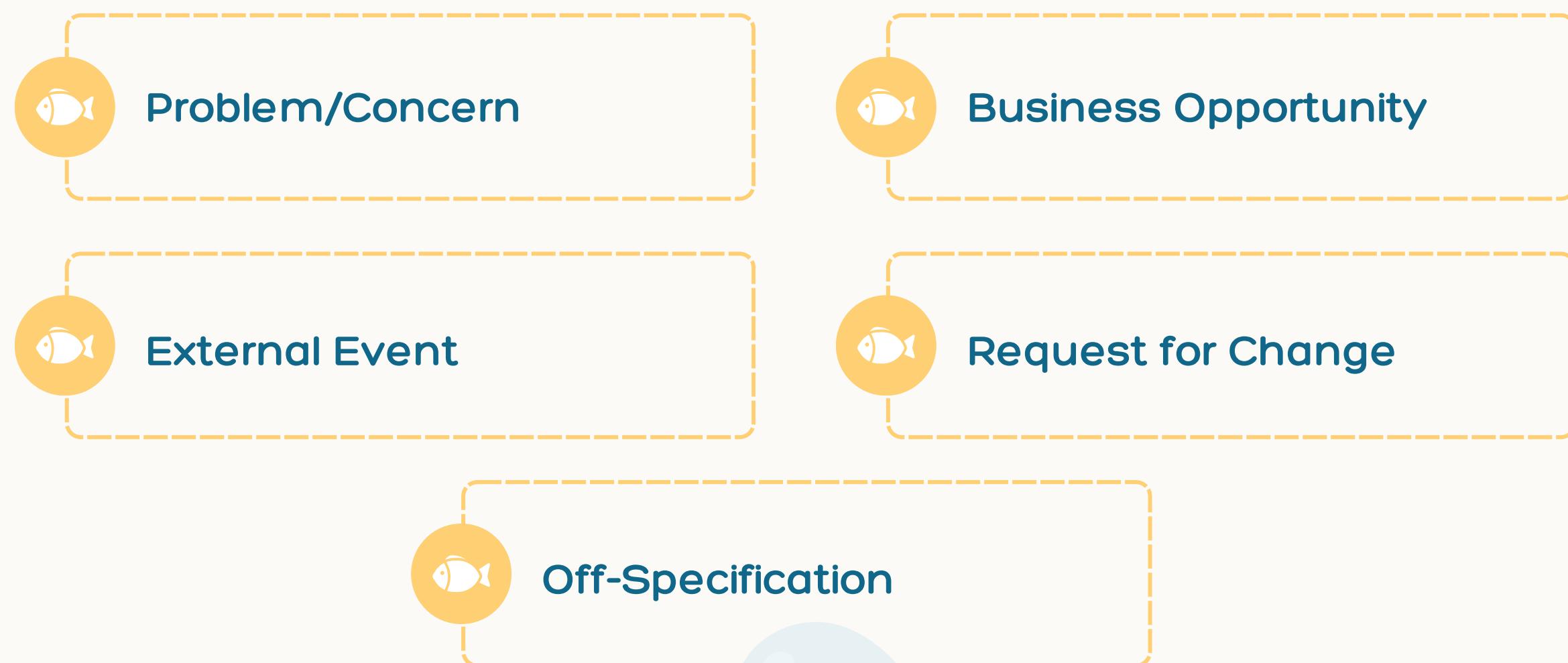
QUALITY MANAGEMENT  
APPROACH

PROJECT PLAN

BENEFITS MANAGEMENT  
APPROACH

PRODUCT DESCRIPTIONS

# Issue Resolution



# Problem/Concern

- A problem has **immediate** negative impact
- A concern needs some time to think about...
  - Uncertain
  - They can turn into a risk
  - Often raised informally



# External Event

- An event that is outside the control of the project
- One example could be a third party service the project is depending on shutting down

# Business Opportunity

- Not all issues are negative!
- It is an unexpected positive consequence

# Request for Change

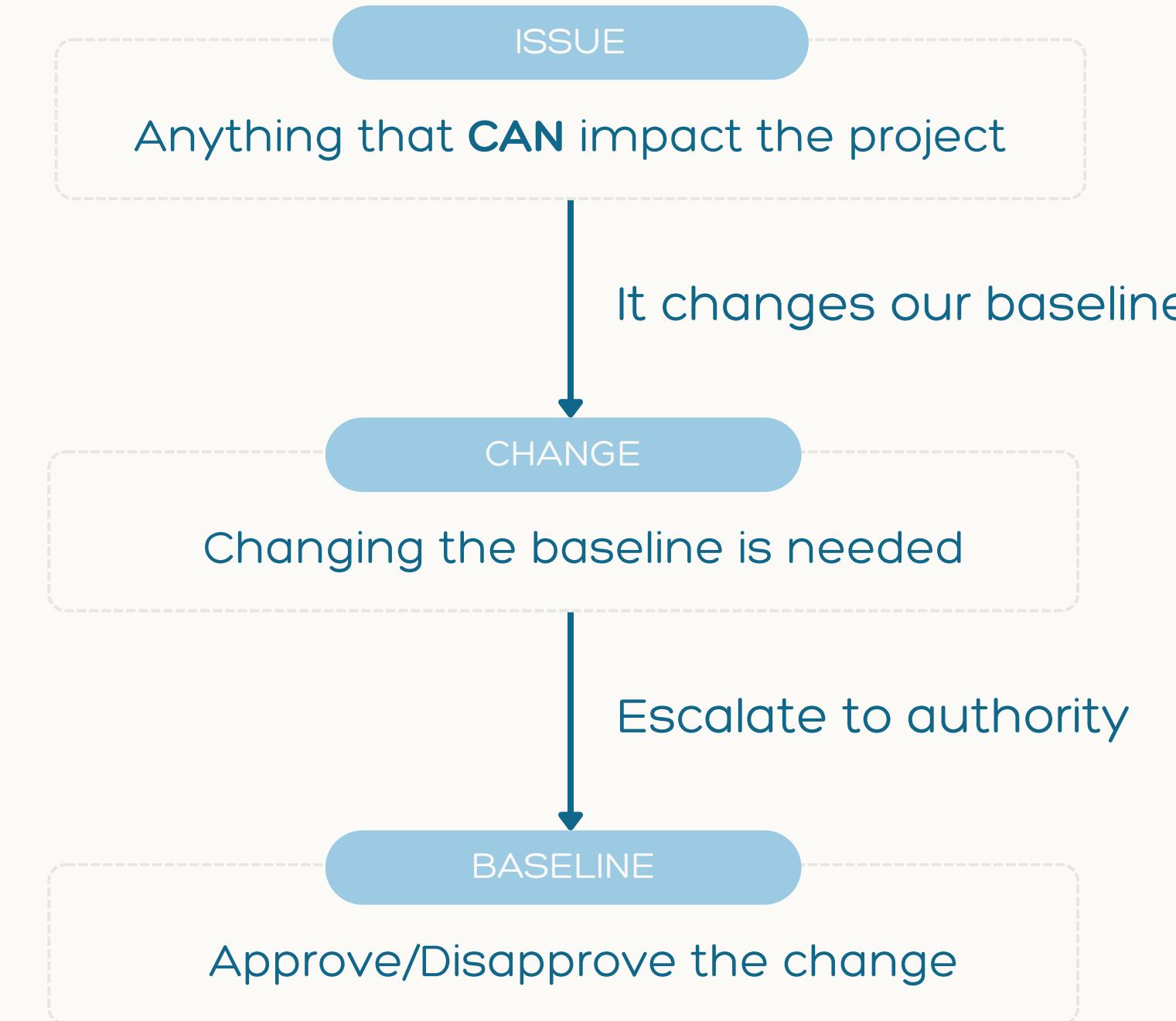
- A formal request to change a baselined product
- It could be a new feature, or a different quality criteria



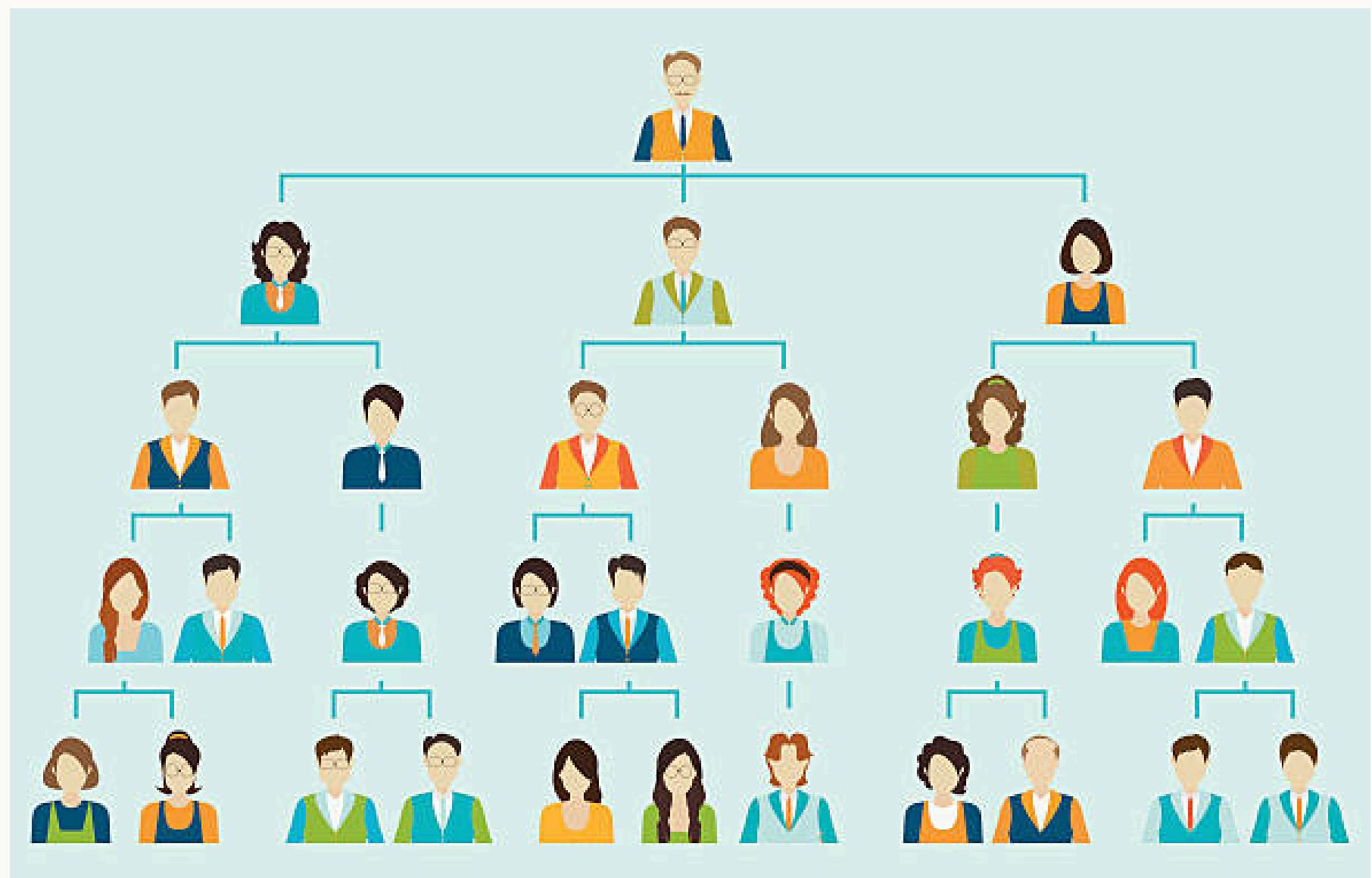
# Off-Specification

- What was delivered by the supplier was not able to meet the quality criteria/specification

# Change Control



# Delegating Authority for Changes

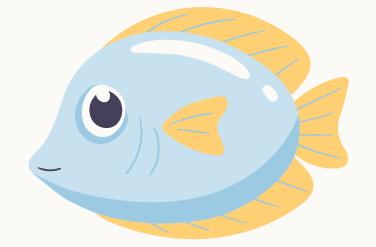


- The project board is the ultimate authority
- Sometimes, authority needs to be delegated to others

# Change Budget



Change can have a cost



# issue Report

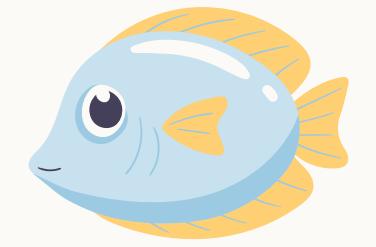
A management-product that represents the issue itself

# Content of an issue Report

- Identifier, Issue Type, Date Raised, Raised By, Author, Description of the Issue
- Impact Analysis
- Recommendation
- Priority and Severity
- Decision Approval

# Content of an issue Report

Document: Issue Report for ID-77		Project: Pen Project		Author: Project Manager		Date:	
ID	Description	Type	Date Raised	Raised By	Report Author	Priority	Severity
77	Selected supplier sent the new catalog three days later than expected	Problem/concern	Jun 29, 2019	Rose Carr	Rose Carr	High	Level 2
<i>Look at the impact on the project, so consider the impact on Time, Cost, Quality, Scope, Benefit and Risk.</i>							
<b>1. Impact Analysis</b>		<b>1. Decision</b> Accept					
Time: The three day delay on receiving the new catalog from the supplier makes the whole project late .		<b>1. Approved by</b> Senior Supplier, Terry Clinton					
Risk: Given that we had some problems arranging to have access to resources for the future activities, this delay might cause problems in resource availabilities in future too. It's important to recover this time as soon as possible and get back on track.		<i>Approved, so the issue can be closed.</i>					
Benefits: The benefits from the project will be delayed if the project is delayed.		<b>1. Decision date</b> Jul 1, 2019					
<b>1. Recommendation</b>		<b>1. Closure date</b> Jul 1, 2019					
Two future activities for preparing the evaluation forms and preparing the list of evaluators can be done by using more resources.		<i>This instance of the Issue Report shows the issue after its closure. The Issue Report might have been initially created as soon as the issue is captured.</i>					
The best option for extra resources is the IT Department; they are capable of helping us executing these two activities faster.							



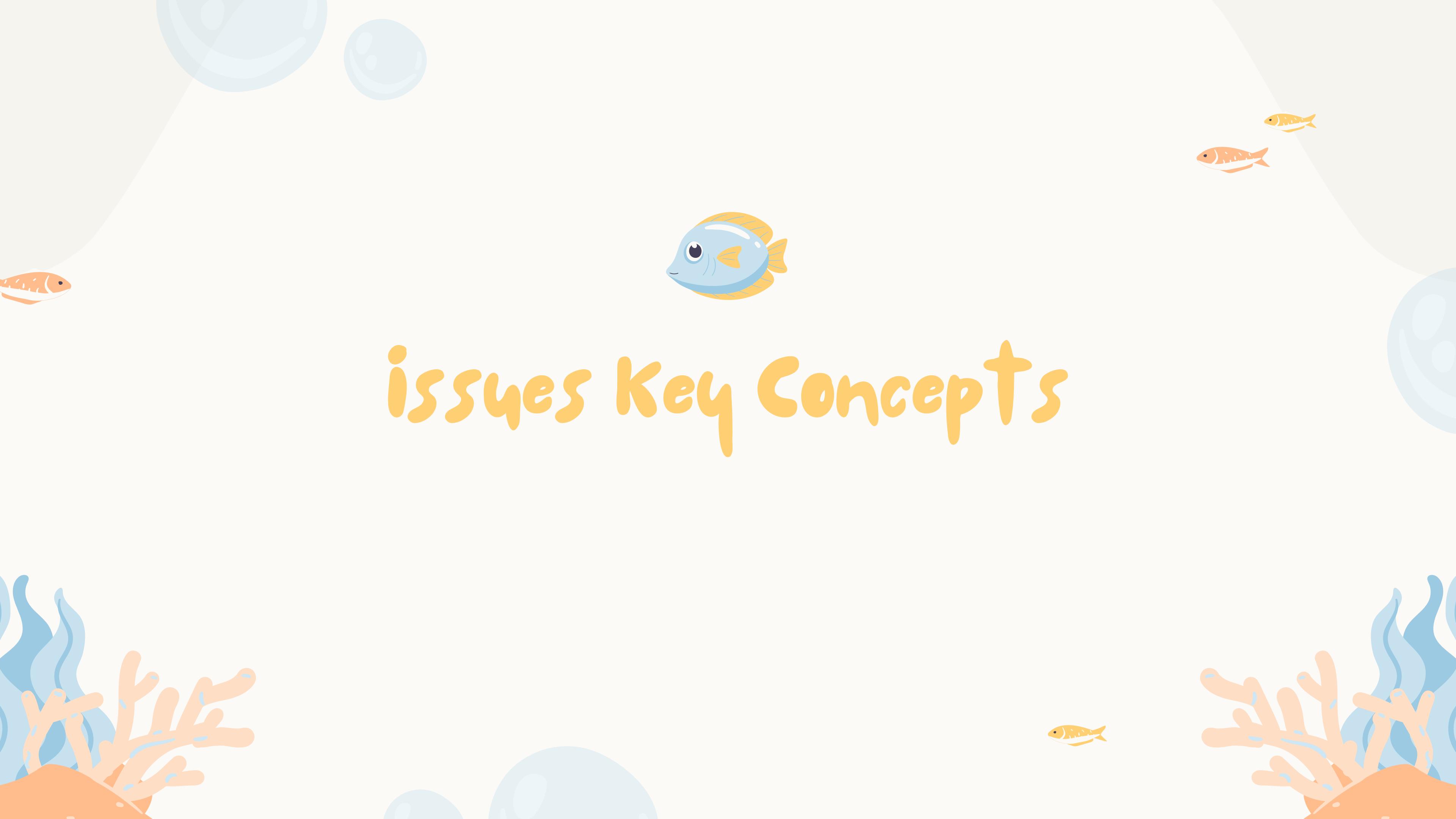
# issue Register

Not to be confused with the report, it acts as the “dashboard” of all issue reports

# Issue Register

Document: <b>Issue Register</b>			Project: Pen Project		Author: Project Manager		Date:	Date: Jul 19	
ID	Description	Type	Date Raised	Raised By	Report Author	Priority	Severity	Status	Closure Date
01	Selected supplier sent the catalog three days later than expected	Problem/concern	Jun 29, 2019	Rose Carr	Rose Carr	High	Level 2	Closed	Jul 1
02	Five evaluators did not return the forms in time	Problem/concern	Jul 18, 2019	Rose Carr	Rose Carr	High	Level 2	Open (last updated Jun 30,)	
03	Evaluation forms of four evaluators do not seem precise	Off-specification	Jul 18, 2019	Rose Carr	Rose Carr	High	Level 0	Open (last updated Jun 30,)	

The first issue is now closed and two new issues have been captured.

The background features a light blue gradient with white wavy patterns. Scattered throughout are several bubbles of different sizes and shades of blue. Small, colorful fish (orange, yellow, and blue) are swimming in various directions. In the bottom corners, there are stylized illustrations of coral reefs in shades of orange and blue.

# issues Key Concepts

# Tolerance Levels

Category	Expected	Tolerance Level	Escalation Trigger
Time	6 weeks	± 2 weeks	Delays exceeding 2 weeks require escalation.
Cost	\$100,000	± 5% of budget	Cost overruns exceeding 5% require approval.
Scope	-	Minor UI changes allowed	Adding/removing major features requires escalation.
Quality	Out of 1,000 test cases, at most 20 fail	Up to 2% defect rate	If defect rate exceeds 2%, issue must be reviewed.
Risk	-	Medium-risk issues allowed	High-risk events require immediate escalation.
Benefits	50% User Engagement	10% decrease allowed	Benefits dropping more than 10% require reassessment.

# Time Tolerance

Time tolerance allows for minor delays without unnecessarily escalating every small delay to higher management. This is important because:

- Software development often faces unexpected challenges, like debugging or integration issues.
- It allows agility and flexibility within reasonable limits.
- Prevents overburdening the Project Board with minor scheduling issues.



# Tolerance Levels

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# Cost Tolerance

Managing costs is critical, but software projects often have variable expenses:

- Licensing Fees: Could change if new tools are needed.
- Resource Costs: Contract developers may be required for urgent fixes.
- Infrastructure: Unexpected expenses like additional server capacity.



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# Scope Tolerance

Scope tolerance ensures that minor adjustments (like UI tweaks or minor design updates) do not need to be escalated. Software development often involves:

- User feedback-driven changes that are minor in nature.
- UI improvements to enhance usability.



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# Quality Tolerance

In software development, a 100% defect-free product is often unrealistic, especially in complex systems. Tolerating minor bugs is essential to avoid over-polishing, which wastes time and resources.



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# Risk Tolerance

Software projects inherently involve risks, from technical failures to resource shortages. Not every risk needs to be escalated:

- Medium-risk issues are manageable by the Project Manager.
- High-risk issues (like severe data breaches or critical system failures) need immediate escalation.



# Tolerance Levels

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# Benefits Tolerance

Projects are typically justified based on expected business benefits (e.g., increased revenue, customer satisfaction). Minor deviations are acceptable, but significant drops could question the project's viability.



# Tolerance Levels

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# Roles in issue Management

 Project Manager: Captures, assesses, proposes actions

 Project Board: Decides on escalated, significant issues.

 Change Authority: Decides on lower-level issues within defined tolerances.

# Guide for Effective issue Management

Some steps which you can apply to manage your issues

## DEFINE

Categorize your issue (RFC or Off-Specification)

## CAPTURE

Use an Issue Register to (formally) capture and log the issue

## ASSESS

Evaluate the issue's impact on project objectives, business case viability and the stakeholders

## MAKE DECISION

PM has authority to resolve minor issues, escalate if needed  
and update issue register

## IMPLEMENT/MONITOR

Ensure changes are controlled in change control process

## COMMUNICATE

Inform the stakeholders about the changes and ensure  
transparency to maintain trust



## REVIEW AND CLOSE

Close the issue register and capture lessons learned in the lessons log for future improvement



# Using PRINCE2 Technique for the 'issue' practice

Breakdown of the key techniques

# Proactive vs. Reactive

PRINCE2 encourages a proactive approach to issue management, meaning anticipating potential problems and taking preventative measures. However, it also provides a structured way to react to issues that do arise.

# Techniques

## Root Cause Analysis

Breaks down a problem to identify the primary causes, distinguishing them from secondary factors.

## Pareto Analysis (80/20 Rule)

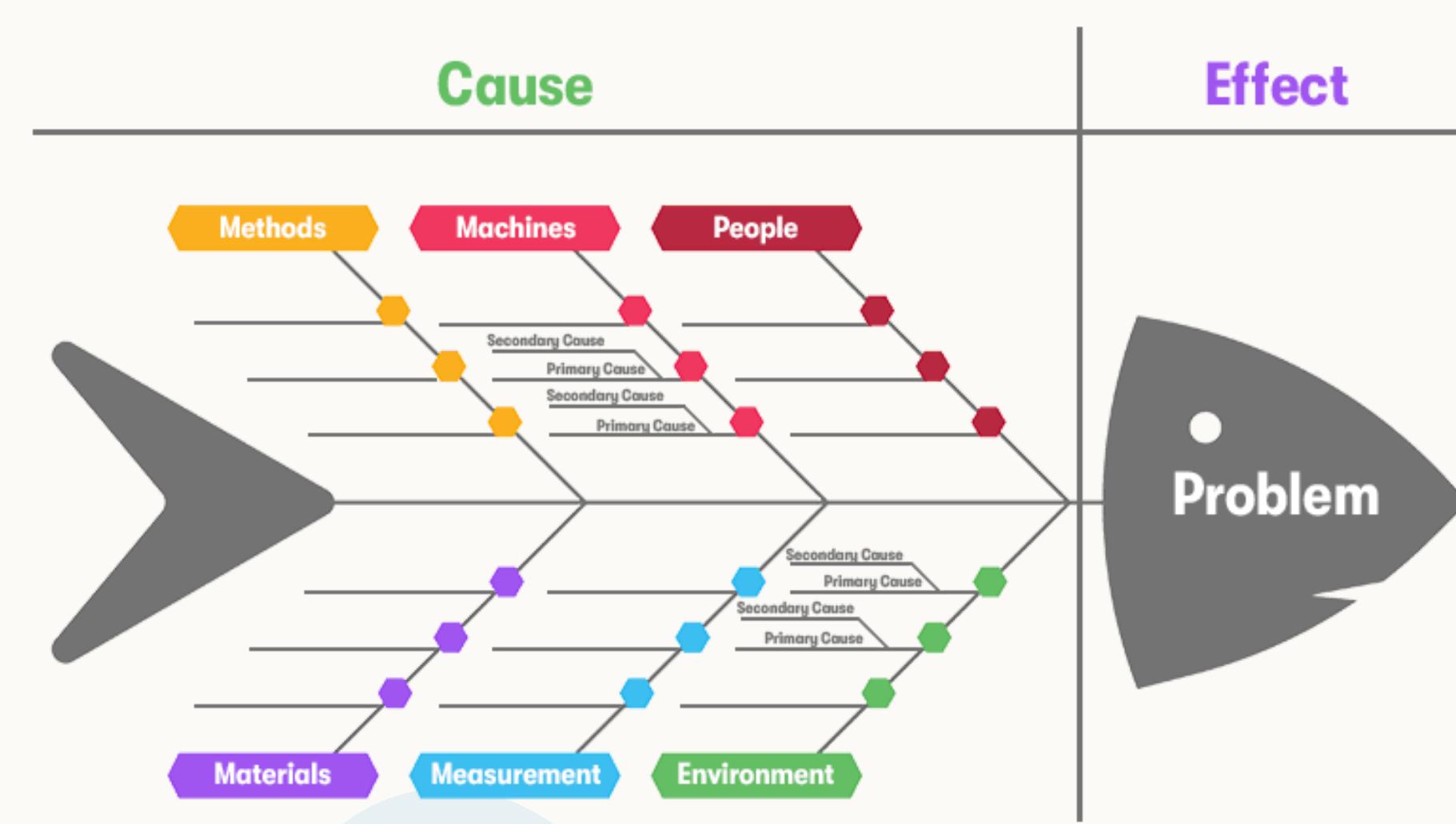
Prioritizes causes by focusing on the "vital few" (20%) that contribute to the majority (80%) of the problem. This is useful when multiple causes exist.

# Techniques

## Cause and Effect Analysis

Categorizes potential causes to identify significant contributing factors. Often visualized using a fishbone diagram.

**Fishbone Diagram (Cause & Effect)**



# Techniques

## Failure Mode Analysis

Analyzes potential product or process failures and their impact, dependent on the existence of a prototype or product.

## Five Whys

Through repeated 'why' questioning, identifies root causes, proving simple yet effective when data is limited. It focuses on counter-measures-preventative actions-rather than symptom-focused solutions.

# Techniques

## Five Whys (Contd.)

### Scenario: The Project is Behind Schedule

Why? "Because a task took longer than expected."

Why? "Because the resource was unavailable."

Why? "because they were assigned to another tasked."

Why? "Because resource allocation wasn't properly planned."

Why? "Because the project manager didn't have full visibility of resource availability."

Thank You!

# References

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- <https://www.projex.com/prince2-issue-register-and-issue-report/>