PRINCE2

Introduction

PRINCE2

- ➤ **Pr**ojects **in** **C**ontrolled **E**nvironments.
- ➤ A project management methodology
  - o IT Projects
  - o Construction Projects
  - o . . .
- ➤ Launched in 1996
  - o Prince used earlier
- ➤ PRINCE2 2009
  - o Most recent edition.

- ➤ 2014: Accredited by the Cabinet Office and Capita
  - o There are PRINCE2 exams!

Six Objectives: Quality

➢ We need to provide measurable estimates for the six objectives.

➢ **Quality**
   o The deliverable is called the project product.
➢ Customers generate the **customer's quality expectations**
   o Often relatively vague.
➢ Must be turned into **acceptance criteria**, which are measurable, as soon as possible.
➢ Key document is the **Project Product Description**, part of the **Business Case**.

Objective: Cost, Benefits, Time

➢ **Cost**
  o Project manager is not the subject matter expert and so must get cost estimates from **suppliers** as soon as possible
  o Part of the **Business Case**.

➢ **Benefits**
  o What the sponsors get from the project.
  o Usually expressed in financial terms.
  o Sometimes hard to measure but real.

➢ **Time**
  o This is the elapsed time.
  o Get from suppliers and recorded in the **Business Case**.

Objectives: Scope, Risk

➢ **Scope**
- o What the project will and will not do.

➢ **Risk**
- o Identify major risks as early as possible.

Quality – Cost – Time Triangle

- Quality – Cost – Time Triangle.
  - Only two of these are independent, the other variable can be derived from them. An equation.
  - The project is in **equilibrium** if the other variable is correctly specified. Is the equation true?
  - Will need to negotiate to make sure of equilibrium.
  - No one benefits from an underfunded project that has to be delivered too soon. It will fail, damaging everyone.

- Ongoing Validity of the Business Case
  - Keep checking that is still in equilibrium.

The Seven Principles

1. Continued business justification
2. Defined roles and responsibilities
3. Manage by exception
4. Manage by stages
5. Focus on products
6. Learn by experience

7. Tailor to the project environment
   o Filling out all the PRINCE2 forms is overly bureaucratic.
   o Tailoring means deciding which forms don't need to be filled out.
   o Tailor to the project, depending on size.

The Seven Themes

1. Business Case (BC)
2. Organisation (ORG)
3. Quality (QUAL)
4. Plans (PLS)
5. Risk (RISK)
6. Change (CHGE)
7. Progress (PROG)

➢ Abbreviations can't be more than 4 letters long!

The Seven Processes

1. Starting up a Project (SU)
2. Initiating a Project (IP)
3. Managing a Product Delivery (MP)
4. Controlling a Stage (CS)
5. Managing a Stage Boundary (SB)
6. Closing a Project (CP)
7. Directing a Project (DP)

Products

➢ **Management Products**
  o Documents with specific PRINCE2 form and structure.
  o Defined in detail: purpose, composition.
  o Business Case, plans, progress reports, logs, registers.

➢ **Specialised Products**
  o Unique to the particular project.
  o Can be documents.
  o Can be buildings etc.

Project Management Hierarchy

- ➤ **Corporate Management**
  - o Sponsor this project, along with many others.
- ➤ **Project Board**
  - o The Executive represents the business interests and makes sure it delivers value for money.
  - o The Senior Users who define the requirements and check the products to make sure they satisfy the requirements.
  - o The Senior Suppliers who create the project products.
- ➤ **Project Manager**
  - o Day to day control of the project.
- ➤ **Team Manager**
  - o Manages a small team.

Manage By Exception

➢ Only meet with higher levels of management if something is wrong (an exception).
➢ Otherwise just send progress reports.

➢ Example: Project Board to Project Manager
  o You have £200k +- £5k and 4 months +- 1 week. We only need to meet if you are going to be outside the permitted range.

➢ Changes, such as the loss of a key person, and reviews of the business case can also lead to exceptions.

Manage By Stages

➢ The project is split into stages, which do not need to be the same length.
➢ Progress is reviewed by the Project Board at the end of each stage.

➢ Stages are typically:
- o Pre-project: A very simple business case, is it worth doing.
- o Initiation
- o Design
- o Build
- o Install and Train Staff

➢ The number and type of stages are not fixed in PRINCE2.
- o Other stages can be used.

Starting Up A Project

➢ Corporate Management
   o Issue a **project mandate** (short description and justification)
   o Appoint the Project Board.
➢ The Project Manager is appointed by either the Corporate Management
➢ or Project Board.
➢ The Project Manager initiates the Start Up Process which produces the Project Brief, which contains:
   o Business Case
   o Project Product Description together with measurable acceptance criteria.
➢ We can now construct our Quality – Cost – Time Triangle and see if it is in equilibrium.

Initiating a Project

➢ The Business Case is valid and the project can start.
➢ This stage generates the Project Initiation Document (PID)
  o Project Plan
  o Updated parts of the Project Brief.

➢ If the Business Case is still valid then the Board will authorise the project.

➢ The Stage Boundary process is initiated to produce a Next Stage Plan.

Controlling a Work Related Stage

➤ Negotiate the Work Packages with the Team Managers.
    o Allocate time and money.

➤ Work Packages are undertaken by Suppliers
    o Within the host organisation, or
    o External suppliers.

➤ Preparing requirements documents can be undertaken by Users.

➤ Team Managers produce weekly CheckPoint Reports (progress reports)
➤ Project Manager produces a monthly Highlight Report for the Board.
➤ Exceptional procedures can also be undertaken.

Managing a Stage Boundary

➢ Update the Project Plan with
  o Progress
  o Revised forecasts for the remainder of the work.
  o Update time and cost estimates in the Business Case.

➢ Produce an End Stage Report and a Next Stage Plan for the Board.

➢ The Board holds an end stage assessment to see if they can make the business case for the project to continue.

➢ Documents can be neglected and become out of date during a stage. This should not happen, but the stage boundary is a time to make sure they are up to date.

Closing a Project

➢ The Project Manager will produce an End Project Report.
➢ The Board can then authorise project closure.

➢ The project management team is disbanded.

Exception Procedure

➢ If we exceed our budget or time tolerances, or other problems arise, the Project Manager must write an Exception Report for the Board.

➢ If the project can still continue, the Board will ask the Project Manager to produce an Exception Plan rather than a Stage Plan and follow the Exception Stage Boundary process.

➢ The Board may recommend a Premature Close if the Business Case no longer support the project.
  o The project may be rescued by a major change in scope.
  o This would involve major replanning.