

- How the corporate (or programme's) project management method will be tailored to suit the project.

14.3 CONTEXT

Initiating a Project is aimed at laying down the foundations in order to achieve a successful project. Specifically, all parties must be clear on what the project is intended to achieve, why it is needed, how the outcome is to be achieved and what their responsibilities are, so that there can be genuine commitment to it.

The Initiating a Project process allows the Project Board, via Directing a Project (see Chapter 13), to decide whether or not the project is sufficiently aligned with corporate or programme objectives to authorize its continuation.

If, instead, the organization proceeds directly from Starting up a Project (see Chapter 12) to Controlling a Stage (see Chapter 15), then it may be forced to commit significant financial resources to a project without fully understanding how its objectives will be achieved. Without a firm definition, the Project Board will be taking a leap of faith.

All activities within the Initiating a Project process need further consideration if the relationship between the customer and the supplier is a commercial one (for example, the reasons for undertaking the project as defined in the supplier's Business Case may be different from those defined in the customer's Business Case) – see Chapter 19 for more details.

During the Initiating a Project process the Project Manager will be creating the suite of management products required for the level of control specified by the Project Board. The Project Manager should have agreed (as part of the Initiation Stage Plan) the means by which the Project Board will review and approve the management products – the two extremes are one at a time or all at once.

14.4 ACTIVITIES

The activities within the Initiating a Project process are Project-Manager-oriented and are to:

- Prepare the Risk Management Strategy
- Prepare the Configuration Management Strategy

- Prepare the Quality Management Strategy
- Prepare the Communication Management Strategy
- Set up the project controls
- Create the Project Plan
- Refine the Business Case
- Assemble the Project Initiation Documentation.

The activities to establish the strategies for the project may be executed in parallel, but it is recommended that the Communications Management Strategy is completed last as it will need to include any communications required of the other strategies.

The strategies are derived from the corporate or programme management strategies, standards or practices that the project needs to comply with, and the customer's quality expectations captured in the Project Product Description. Once the strategies have been defined, it is possible to set up the project controls and create the Project Plan. These are parallel and iterative activities as:

- Each control will need time and resources to operate, which will need to be documented in the Project Plan
- There may be additional controls required as products and activities are identified in the Project Plan.

Once the controls have been established and a Project Plan created, it is then possible to complete the Business Case because forecast time and costs of developing the project's products, and managing the project, are now fully understood.

The final activity in the Initiating a Project process is to assemble the Project Initiation Documentation. This is a compilation of all the documentation developed during initiation that will be used to gain Project Board approval to proceed.

14.4.1 Prepare the Risk Management Strategy

The Risk Management Strategy describes the goals of applying risk management, the procedure that will be adopted, the roles and responsibilities, the risk tolerances, the timing of risk management activities, the tools and techniques that will be used, and the reporting requirements.

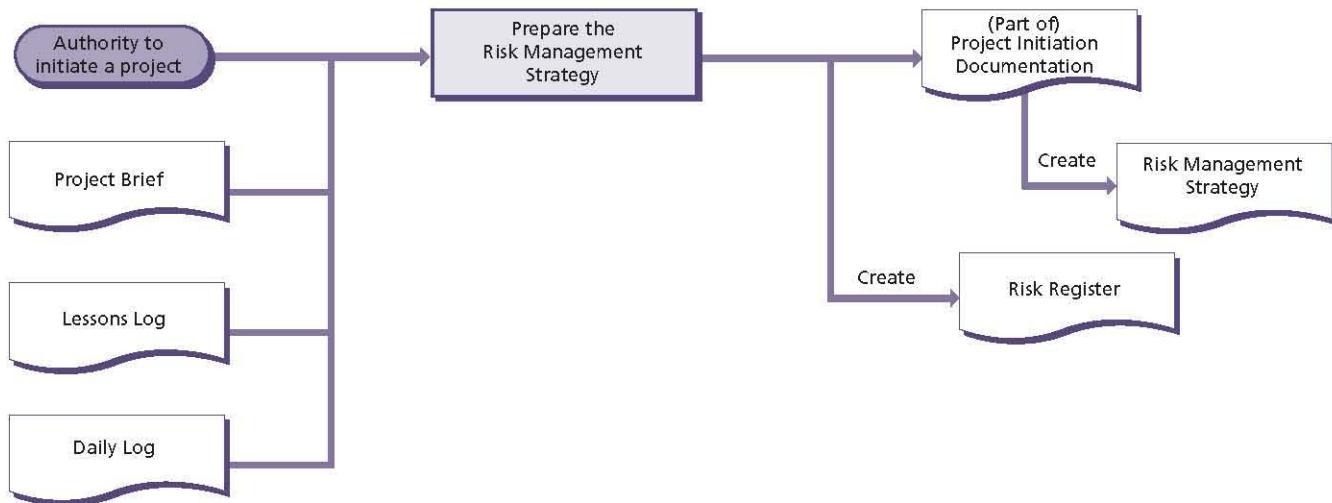


Figure 14.2 Prepare the Risk Management Strategy: activity summary

For more details on risk management, see Chapter 8.

Figure 14.2 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Project Brief to understand whether any corporate or programme management strategies, standards or practices relating to risk management need to be applied by the project
- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to risk management. Some of these may already have been captured in the Lessons Log
- Review the Daily Log for any issues and risks related to risk management

- Define the Risk Management Strategy, including:
 - The risk management procedure (e.g. Identify, Assess, Plan, Implement, Communicate)
 - Tools and techniques that will be used
 - Records that will be kept
 - How the performance of the risk management procedure will be reported
 - Timing of risk management activities
 - The roles and responsibilities for risk management activities
 - The scales to be used for estimating probability and impact
 - Guidance on how proximity for risks will be assessed

Table 14.1 Prepare the Risk Management Strategy: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
	(A)	(A)	(A)	P		R		A24
Risk Management Strategy	Create				A		R	P
Risk Register	Create and populate							A25

- Definition of risk categories to be used
 - Any early-warning indicators to be used
 - Tolerances relating to risk
 - Whether a risk budget will be established and, if so, how it will be controlled.
- Consult with Project Assurance to check that the proposed Risk Management Strategy meets the needs of the Project Board and/or corporate or programme management
 - Create the Risk Register in accordance with the Risk Management Strategy, and populate it with any risks from the Daily Log
 - Seek Project Board approval for the Risk Management Strategy (although the Project Board may prefer to review it later as part of the Project Initiation Documentation).

Table 14.1 shows the responsibilities for this activity.

14.4.2 Prepare the Configuration Management Strategy

Configuration management is essential for the project to maintain control over its management and specialist products.

The level of control required will vary from project to project. The maximum level of control possible is determined by breaking down the project's products until the level is reached at which a component can be independently installed,

replaced or modified. However, the level of control exercised will be influenced by the importance of the project and the complexity of the relationship between its products.

The initial set of Configuration Item Records will be created during this activity. The Configuration Management Strategy will define the format and composition of the records that need to be maintained (see Appendix A).

For more details on configuration management, see Chapter 9.

Figure 14.3 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Project Brief to understand whether any corporate or programme management strategies, standards or practices relating to configuration management need to be applied (in particular whether the customer and/or supplier has an existing configuration management system that should be applied)
- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to configuration management. Some of these may already have been captured in the Lessons Log.
- Review the Risk Register and Daily Log for risks and issues associated with configuration management

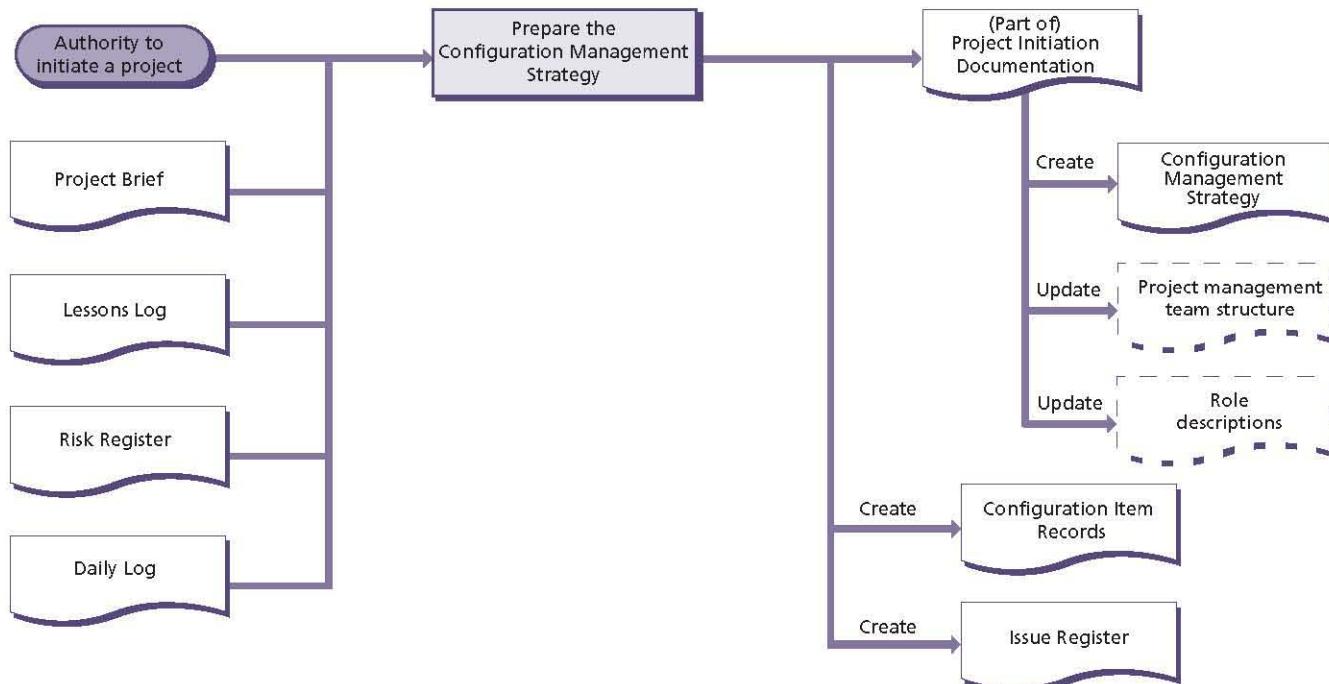


Figure 14.3 Prepare the Configuration Management Strategy: activity summary

- Define the Configuration Management Strategy, including:
 - The configuration management procedure (e.g. planning, identification, control, status accounting, verification and audit)
 - The issue and change control procedure (e.g. capturing, examining, proposing, deciding, implementing)
 - Tools and techniques that will be used
 - Records that will be kept
 - How the performance of the procedures will be reported
 - Timing of configuration management activities and issue and change control activities
 - The roles and responsibilities for the procedures. Consider whether a Change Authority and/or change budget should be established
 - The scales for priority and severity of issues
- Consult with Project Assurance to check that the proposed Configuration Management Strategy meets the needs of the Project Board and/or corporate or programme management
- Create the initial Configuration Item Records (at this point there will only be Configuration Item Records for the management products that have already been created and any pre-existing project documentation that needs to be controlled, e.g. feasibility study, request for proposal etc.)

- Create the Issue Register and consider whether any issues already captured in the Daily Log need to be managed formally and therefore transferred
- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
- Seek Project Board approval for the Configuration Management Strategy (the Project Board may prefer to review it later as part of the Project Initiation Documentation).

Table 14.2 shows the responsibilities for this activity.

14.4.3 Prepare the Quality Management Strategy

A key success factor of any project is that it delivers what the user expects and finds acceptable. This will only happen if these expectations are both stated and agreed at the beginning of the project, together with the standards to be used and the means of assessing their achievement. The purpose of the Quality Management Strategy is to ensure such agreements are captured and maintained.

For more details on quality management, see Chapter 6.

Figure 14.4 shows the inputs to, and outputs from, this activity.

Table 14.2 Prepare the Configuration Management Strategy: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Configuration Management Strategy	Create		(A)	(A)	(A)	P		R		A6
(Initial) Configuration Item Records	Create					A		R	P	A5
Issue Register	Create and populate					A		R	P	A12

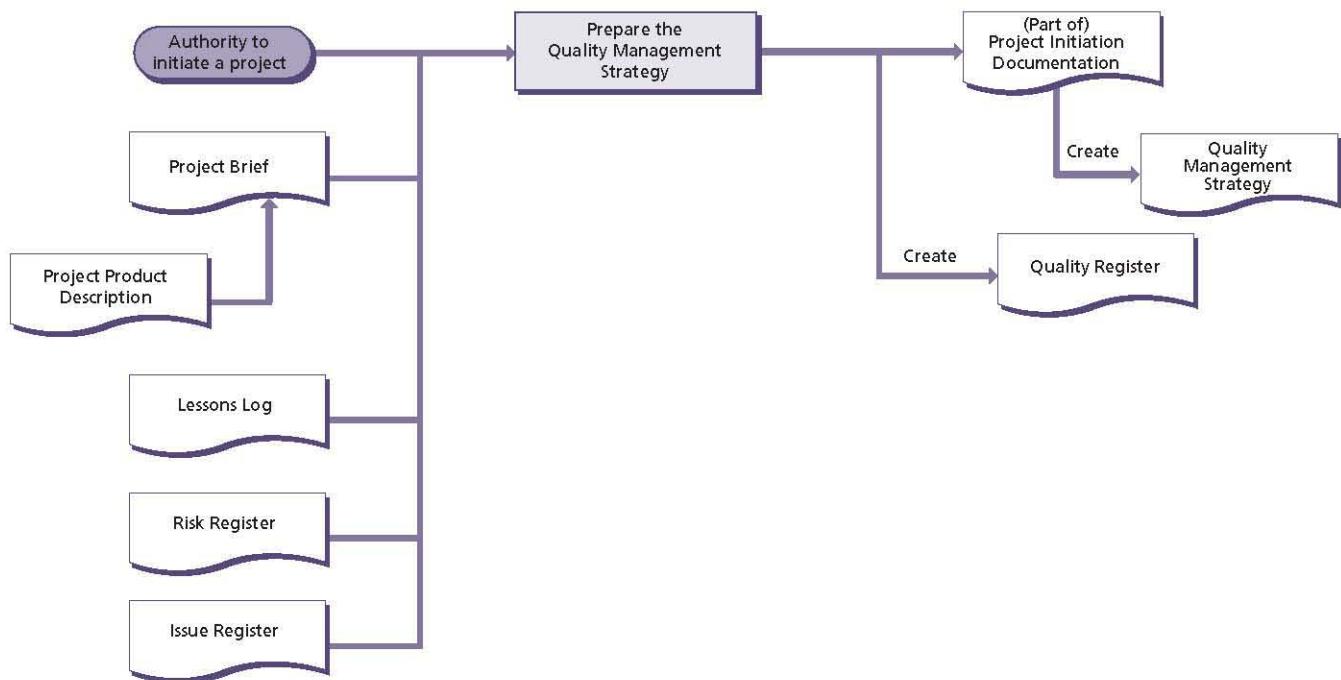


Figure 14.4 Prepare the Quality Management Strategy: activity summary

PRINCE2 recommends the following actions:

- Review the Project Product Description to understand the customer's quality expectations and to check that the project's acceptance criteria are sufficiently defined
- Review the Project Brief to understand whether any corporate or programme management strategies, standards or practices relating to quality management need to be applied by the project (in particular whether the customer and/or supplier has an existing quality management

system that should be applied to aspects of the project)

- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to quality management. Some of these may already have been captured in the Lessons Log
- Review the Risk Register and Issue Register for issues and risks associated with quality management

Table 14.3 Prepare the Quality Management Strategy: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
	(A)	(A)	(A)	P		R		A22
				A		R	P	A23

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Quality Management Strategy	Create		(A)	(A)	(A)	P		R		A22
Quality Register	Create					A		R	P	A23

- Define the Quality Management Strategy, including:
 - The quality management procedure (e.g. quality planning, quality control, quality assurance)
 - Tools and techniques that will be used
 - Records that will be kept
 - How the performance of the quality management procedure will be reported
 - Timing of quality management activities
 - The roles and responsibilities for quality management activities (check links to any corporate or programme quality assurance function and ensure that all project quality activities support, and are supported by, this function)
- Consult with Project Assurance to check that the proposed Quality Management Strategy meets the needs of the Project Board and/or corporate or programme management
- Create a Quality Register in readiness to record details of all quality activities

- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
- Seek Project Board approval for the Quality Management Strategy (although the Project Board may prefer to review it later as part of the Project Initiation Documentation).

Table 14.3 shows the responsibilities for this activity.

14.4.4 Prepare the Communication Management Strategy

The Communication Management Strategy addresses both internal and external communications. It should contain details of how the project management team will send information to, and receive information from, the wider organization(s) involved with, or affected by, the project. In particular, where the project is part of a programme, details should be given on how information is to be fed to the programme.

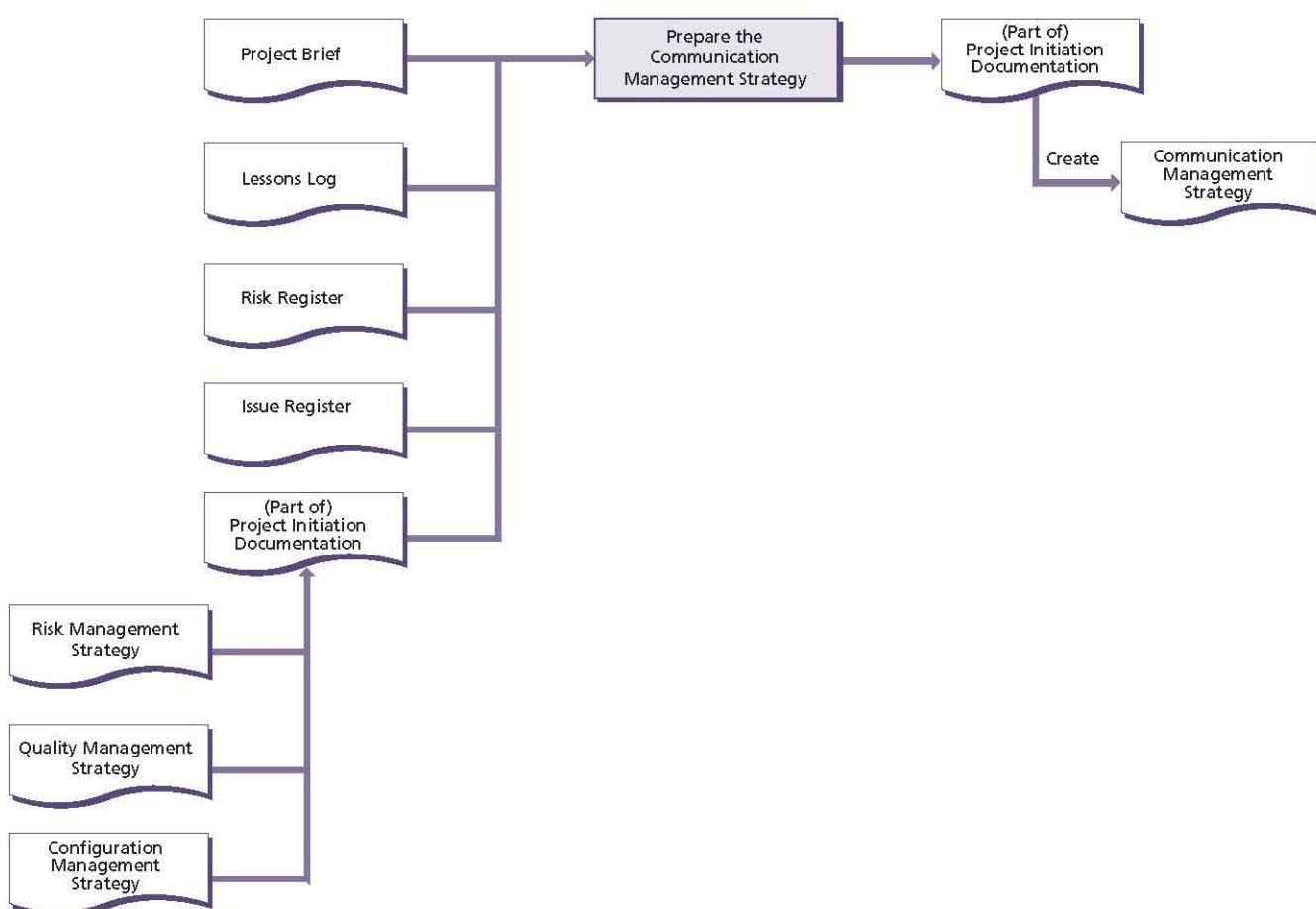


Figure 14.5 Prepare the Communication Management Strategy: activity summary

If a formal stakeholder engagement procedure is needed (such as that described in Chapter 5), this should also be documented as part of the Communication Management Strategy and should record the types of stakeholder, desired relationships and key messages, strategies for communication, and methods for evaluating the success of communications.

Figure 14.5 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Project Brief to understand whether any corporate or programme management strategies, standards or practices relating to communication management need to be applied by the project
- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to communication management. Some may already have been captured in the Lessons Log
- Review the Risk Register and Issue Register for risks and issues associated with communication management
- Identify and/or review stakeholders, and consult them for their information needs:
 - Identify desired relationships
 - Clarify key communication messages
 - Determine desired outcomes from successful communications

- Establish the information needs associated with the Quality Management Strategy, the Risk Management Strategy and the Configuration Management Strategy
- Define the Communication Management Strategy, including:
 - The communication management procedure
 - Tools and techniques that will be used
 - Records that will be kept
 - How the performance of the communication management procedure will be reported
 - Timing of communication activities
 - The roles and responsibilities for communication activities
 - Stakeholder analysis
- Consult with Project Assurance to check that the proposed Communication Management Strategy meets the needs of the Project Board and/or corporate or programme management
- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
- Seek Project Board approval for the Communication Management Strategy (although the Project Board may prefer to review it later as part of the Project Initiation Documentation).

Table 14.4 shows the responsibilities for this activity.

14.4.5 Set up the project controls

The level of control required by the Project Board after initiation needs to be agreed and

Table 14.4 Prepare the Communication Management Strategy: responsibilities

Producer – responsible for product's production
 Reviewer – ideally independent of production
 Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Communication Management Strategy	Create		(A)	(A)	(A)	P		R		A4

the mechanism for such controls needs to be established – as does the level of control required by the Project Manager of the work to be undertaken by Team Managers.

Project controls enable the project to be managed in an effective and efficient manner that is consistent with the scale, risks, complexity and importance of the project. Effective project controls are a prerequisite for managing by exception.

Project controls can include:

- The frequency and format of communication between the project management levels (see Chapter 5)
- The number of stages and hence end stage assessments (see Chapter 7)

- Mechanisms to capture and analyse issues and changes (see Chapter 9)
- Mechanisms to escalate exceptions (see Chapter 10)
- Tolerances for delegated authority (see Chapter 10)
- How delegated authority from one level of management to another will be monitored (see Chapter 10).

Many of these controls will have been defined in the project's strategies but not necessarily set up. The focus of this activity is to establish such controls and to make sure that they make sense as a coherent set.

Figure 14.6 shows the inputs to, and outputs from, this activity.

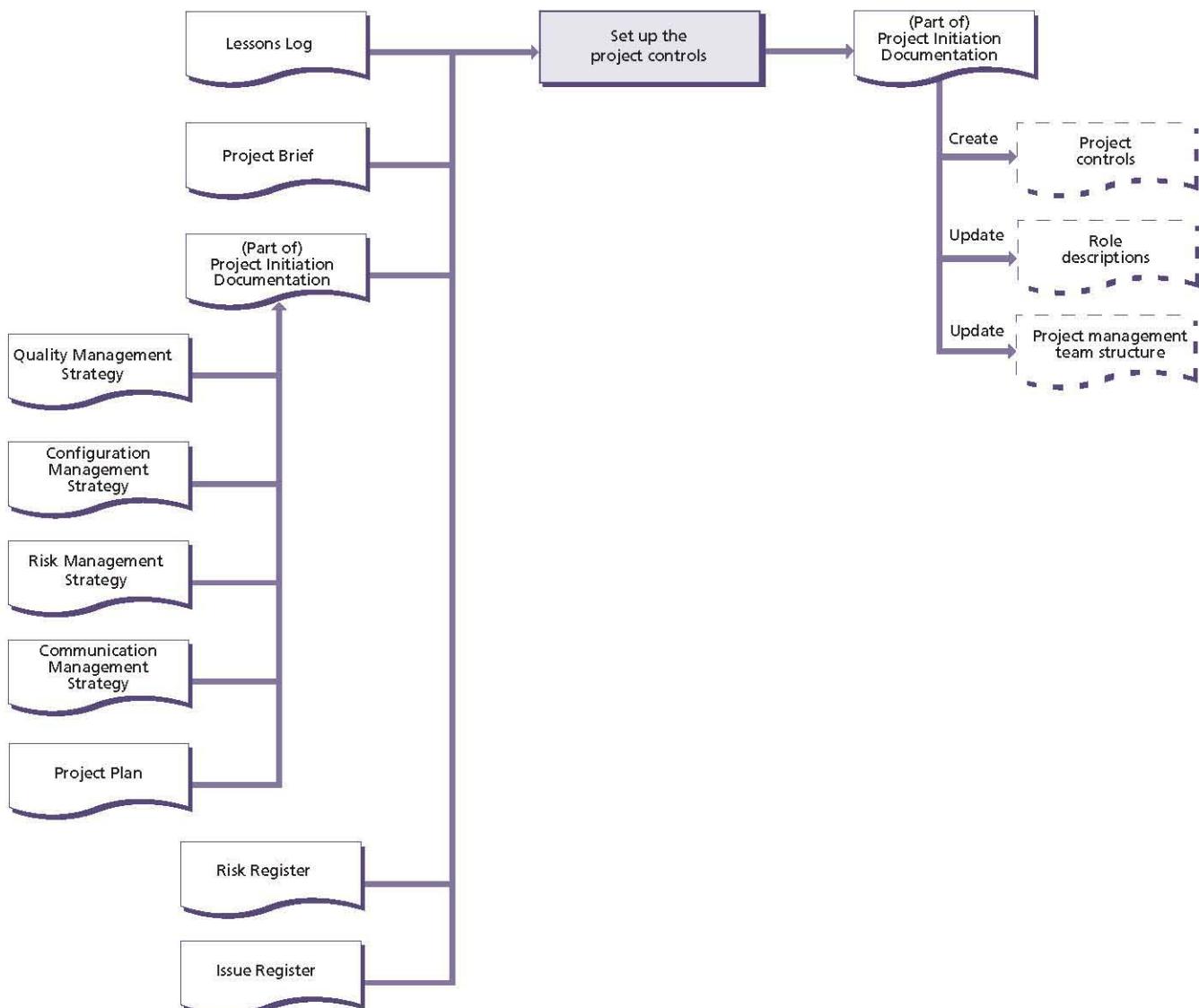


Figure 14.6 Set up the project controls: activity summary

PRINCE2 recommends the following actions:

- Review the Project Brief to understand whether any corporate or programme management strategies, standards or practices relating to controls need to be applied by the project. Identify whether any of these require PRINCE2 to be tailored
 - Review the Quality Management Strategy, Configuration Management Strategy, Risk Management Strategy and Communication Management Strategy to identify which controls need to be established
 - Seek lessons from similar previous projects, corporate or programme management, and external organizations related to project controls. Some of these may already have been captured in the Lessons Log
 - Review the Risk Register and Issue Register for risks and issues associated with project controls. The aggregated set of risks will have an impact on the scale and rigour of control activities
 - Confirm and document the management stage boundaries required to provide the appropriate level of control
 - Allocate the various levels of decision making required within the project to the most appropriate project management level. Establish any decision-making procedures that may be appropriate, possibly by tailoring procedures within an existing quality
- management system or other standard procedures
- Incorporate the agreed decision-making authority and responsibility into the project management team structure and role descriptions where appropriate; this may include finalizing any roles not previously allocated, re-allocating roles previously filled and, if necessary, re-designing the project management team
 - Confirm the tolerances for the project and the escalation procedures (from Team Managers to Project Manager, Project Manager to Project Board, and Project Board to corporate or programme management)
 - Summarize the project controls in the Project Initiation Documentation
 - Consult with Project Assurance to check that the proposed project controls are consistent with the nature of the project and meet the needs of the Project Board and/or corporate or programme management
 - If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
 - Seek Project Board approval for the project controls (the Project Board may prefer to review them later as part of the Project Initiation Documentation).

Table 14.5 shows the responsibilities for this activity.

Table 14.5 Set up the project controls: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Project controls	Create		(A)	(A)	(A)	P		R		
Role descriptions	Update		(A)	(A)	(A)	P		R		
Project management team structure	Update		(A)	(A)	(A)	P				

14.4.6 Create the Project Plan

Before committing to major expenditure on the project, the timescale and resource requirements must be established. This information is held in the Project Plan and is needed so that the Business Case can be refined and the Project Board can control the project.

Planning is not an activity that the Project Manager performs in isolation but, rather, something that should be done with close involvement of

the user(s) and supplier(s). It is often useful to hold planning workshops to help identify all the products required, their details, and the dependencies between them.

For more details on planning, see Chapter 7.

Figure 14.7 shows the inputs to, and outputs from, this activity.

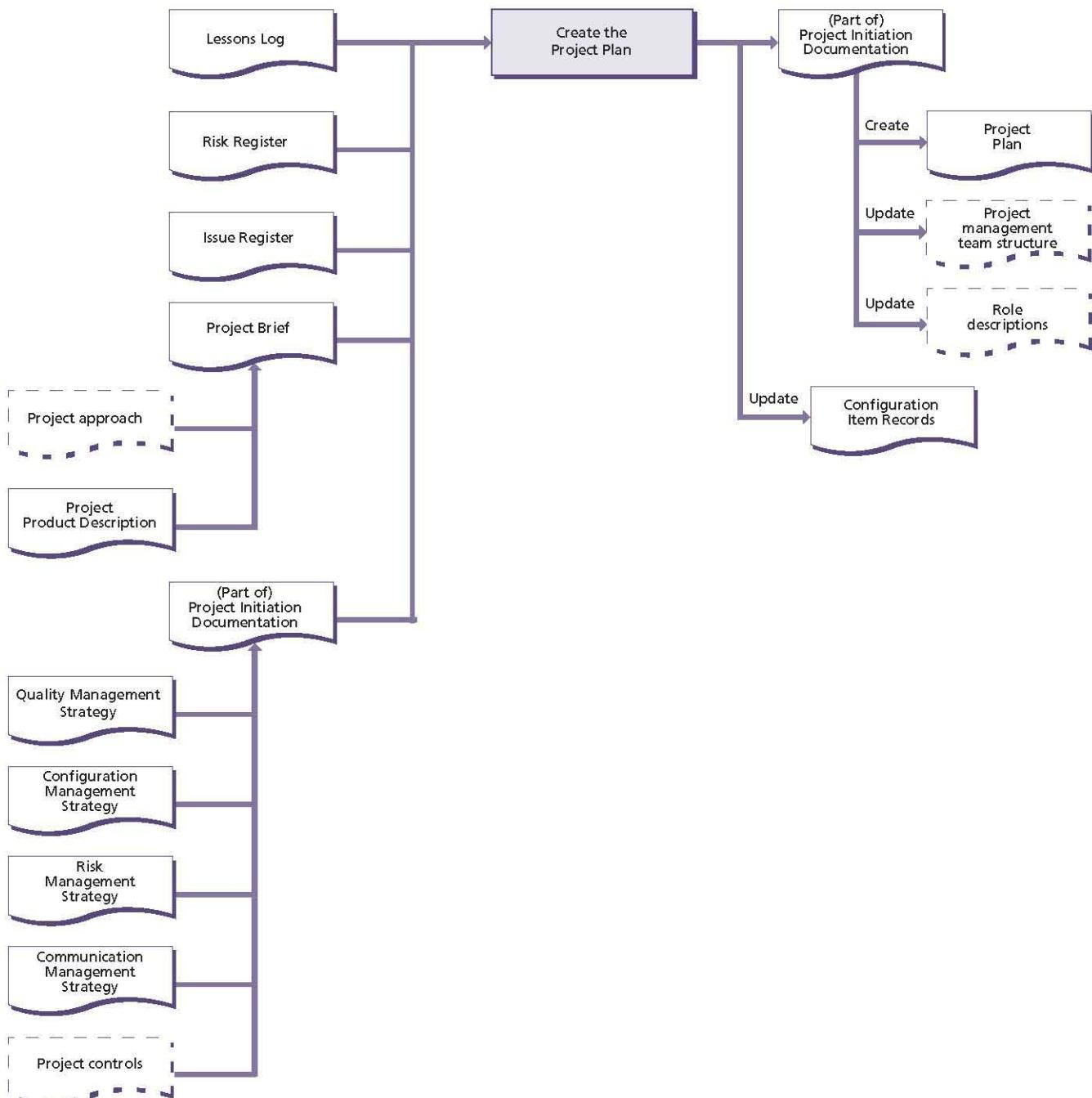


Figure 14.7 Create the Project Plan: activity summary

PRINCE2 recommends the following actions:

- Review the Project Brief to:
 - Understand what the project is to deliver and check for any predetermined milestones as defined in the Project Brief
 - Check whether there are any corporate or programme management strategies, standards or practices relating to planning that the project needs to follow
 - Check understanding of any prerequisites, external dependencies, constraints and assumptions documented in the Project Brief
 - Check understanding of the selected solution as described by the project approach
- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to planning. Some of these may already have been captured in the Lessons Log
- Review the Risk Register and Issue Register for risks and issues associated with planning
- Decide on the format and presentation of the Project Plan, given the audience for the plan and how it will be used (for example, is it sufficient to use a product checklist for presenting the plan to the Project Board?). See

the Product Description for a Plan in Appendix A for more information

- Identify any planning and control tools to be used by the project
- Choose the method(s) of estimating for the project's plans
- Review the Quality Management Strategy, Risk Management Strategy, Configuration Management Strategy and Communication Management Strategy to understand the resources, standards, methods and costs for the work to be carried out
- Create a product breakdown structure, product flow diagram and Product Descriptions for the major products in the Project Plan. Identify the arrangements for the transition of the project's products into operational use. Where the project's products are likely to require potentially expensive maintenance once operational, plan for a suitable service agreement or contract to be drawn up between the support group and the user. In such instances, it will be necessary to include any agreement as a product in the Project Plan
- Consider whether the Project Product Description needs to be updated (for example, if the understanding of the acceptance criteria

Table 14.6 Create the Project Plan: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Project Plan	Create		(A)	(A)	(A)	P		R		A16
Product Descriptions	Create		(A)	(A)	(A)	P		R		A17
Configuration Item Records	Create/update					A		R	P	A5
Project management team structure	Update		(A)	(A)	(A)	P		R		
Role descriptions	Update		(A)	(A)	(A)	P		R		

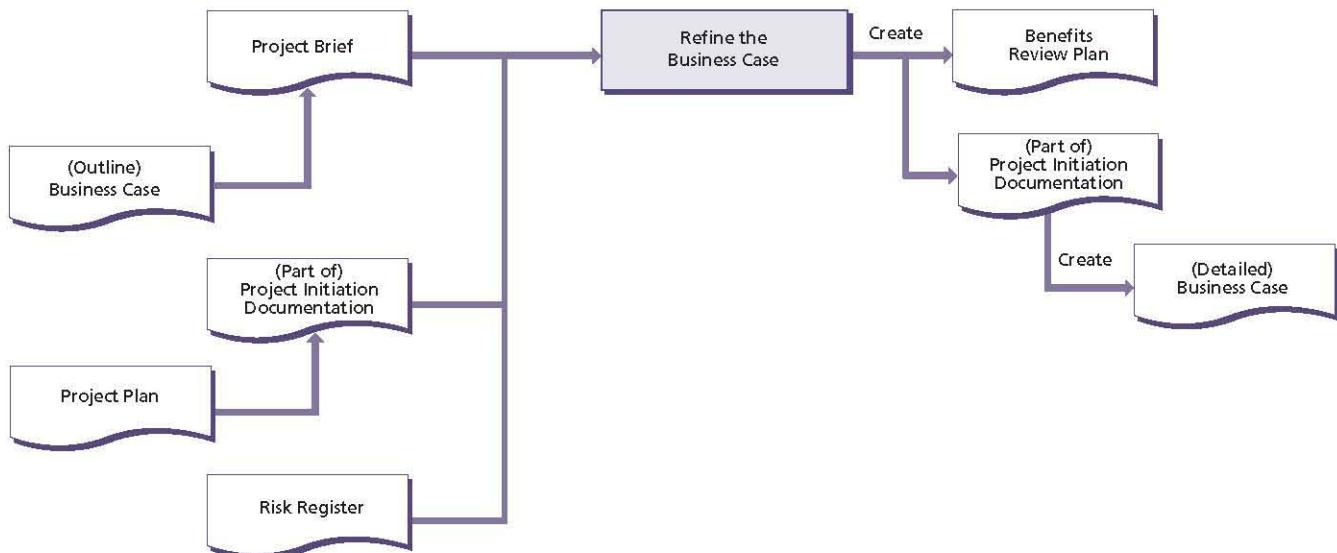


Figure 14.8 Refine the Business Case: activity summary

has changed or been refined in the course of initiating the project)

- Create or update the Configuration Item Records for each product to be delivered by the plan
- Identify and confirm resources required. Confirm the selected people's availability, their acceptance of these roles and their commitment to carry them out. See Chapter 5 for more details
- Identify the activities, resources and timings for the project controls and include them in the plan
- Identify risks associated with the plan
- Document the Project Plan
- Consult with Project Assurance to check that the proposed Project Plan meets the needs of the Project Board and/or corporate or programme management
- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
- Seek Project Board approval for the Project Plan (although the Project Board may prefer to review it later as part of the Project Initiation Documentation).

Table 14.6 shows the responsibilities for this activity.

14.4.7 Refine the Business Case

The outline Business Case produced during Starting up a Project needs to be updated to reflect the estimated time and costs, as determined by the

Project Plan, and the aggregated risks from the updated Risk Register.

The detailed Business Case will be used by the Project Board to authorize the project and provides the basis of the ongoing check that the project remains viable.

For more details on business justification, see Chapter 4.

Figure 14.8 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Project Brief to check whether there are any corporate or programme management requirements for the format and content of the Business Case
- Seek lessons from similar previous projects, corporate or programme management, and external organizations related to Business Case development. Some of these may already have been captured in the Lessons Log
- Create the detailed Business Case with the additional detail gained, namely:
 - The costs and timescale as calculated in the Project Plan
 - The major risks that affect the viability and achievability of the project (from the Risk Register)
 - The benefits to be gained
 - The tolerances allowed for each of the benefits

Table 14.7 Refine the Business Case: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Benefits Review Plan	Create	(A)	(A)	(A)	(A)	P		R		A1
Detailed Business Case	Create	(R)	(A)	(A)	(A)	P		R		A2

- Create the Benefits Review Plan:
 - Review the Business Case and check understanding of the benefits expected of the project
 - Identify how the achievement of each benefit is to be measured and capture the current baseline measures
 - Identify the timing of benefits reviews (most likely to align to stage boundaries)
 - If the project is part of a programme, the Benefits Review Plan may be created, maintained and executed at the programme level
- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log
- Consult with Project Assurance to check that the proposed Business Case and Benefits Review Plan meet the needs of the Project Board and/or corporate or programme management
- Seek Project Board approval for the Business Case and Benefits Review Plan (although the Project Board may prefer to review them later as part of the Project Initiation Documentation).

Table 14.7 shows the responsibilities for this activity.

14.4.8 Assemble the Project Initiation Documentation

There needs to be a focal point at which all information relating to the 'what, why, who, how, where, when, and how much' of the project is:

- Gathered for agreement by the key stakeholders
- Available for guidance and information for those involved in the project.

This information is collated into the Project Initiation Documentation. The Project Initiation Documentation is an aggregation of many of the management products created during initiation and used to gain authorization for the project to proceed. It is not necessarily (and rarely) a single document, but a collection of documents.

The version of the Project Initiation Documentation created during the Initiating a Project process, and used to gain authorization for the project to proceed, should be preserved. It will be used later as a means to compare the project's actual performance against the original forecasts that formed the basis of approval.

Figure 14.9 shows the inputs to, and outputs from, this activity.

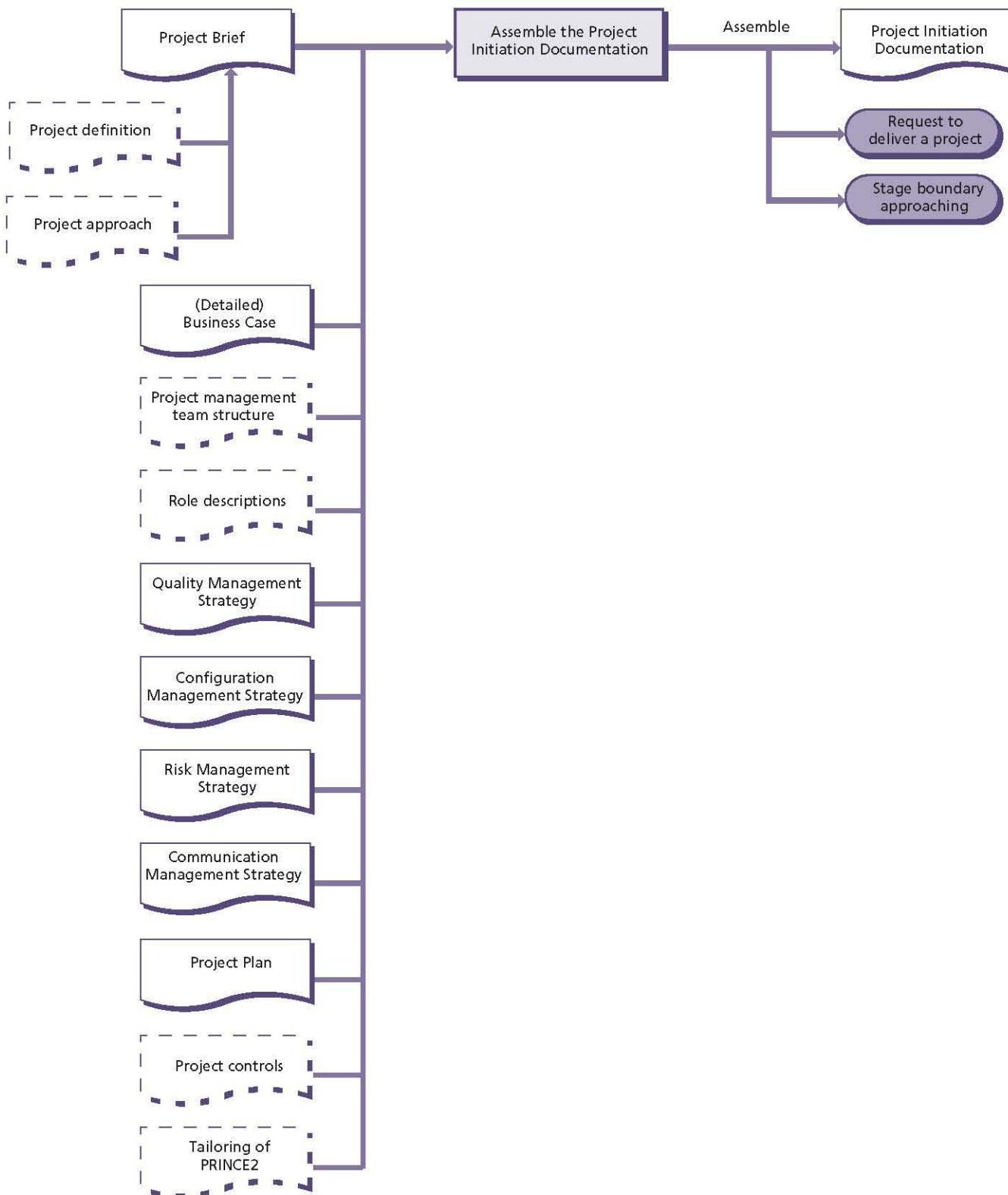


Figure 14.9 Assemble the Project Initiation Documentation: activity summary

Table 14.8 Assemble the Project Initiation Documentation: responsibilities

Producer – responsible for product's production
 Reviewer – ideally independent of production
 Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Project Initiation Documentation	Assemble		(A)	(A)	(A)	P		R		A20

PRINCE2 recommends the following actions:

- Extract and, if necessary, revise information from the Project Brief (project definition and project approach)
- Include or reference information in the:
 - Project's management team structure and role descriptions
 - Business Case
 - Quality Management Strategy
 - Configuration Management Strategy
 - Risk Management Strategy
 - Communication Management Strategy
 - Project Plan

- Include or reference the project controls and summarize how the project has tailored PRINCE2
- Assemble the Project Initiation Documentation
- Carry out a cross-check of the information in the various elements to ensure that they are compatible
- Consult with Project Assurance to check that the assembled Project Initiation Documentation meets the needs of the Project Board and/or corporate or programme management
- Prepare for the next stage (which triggers the Managing a Stage Boundary process)
- Request authority from the Project Board to deliver the project.

Table 14.8 shows the responsibilities for this activity.

15 Controlling a Stage

15.1 PURPOSE

The purpose of the Controlling a Stage process is to assign work to be done, monitor such work, deal with issues, report progress to the Project Board, and take corrective actions to ensure that the stage remains within tolerance.

15.2 OBJECTIVE

The objective of the Controlling a Stage process is to ensure that:

- Attention is focused on delivery of the stage's products. Any movement away from the direction and products agreed at the start of the stage is monitored to avoid uncontrolled change ('scope creep') and loss of focus
- Risks and issues are kept under control

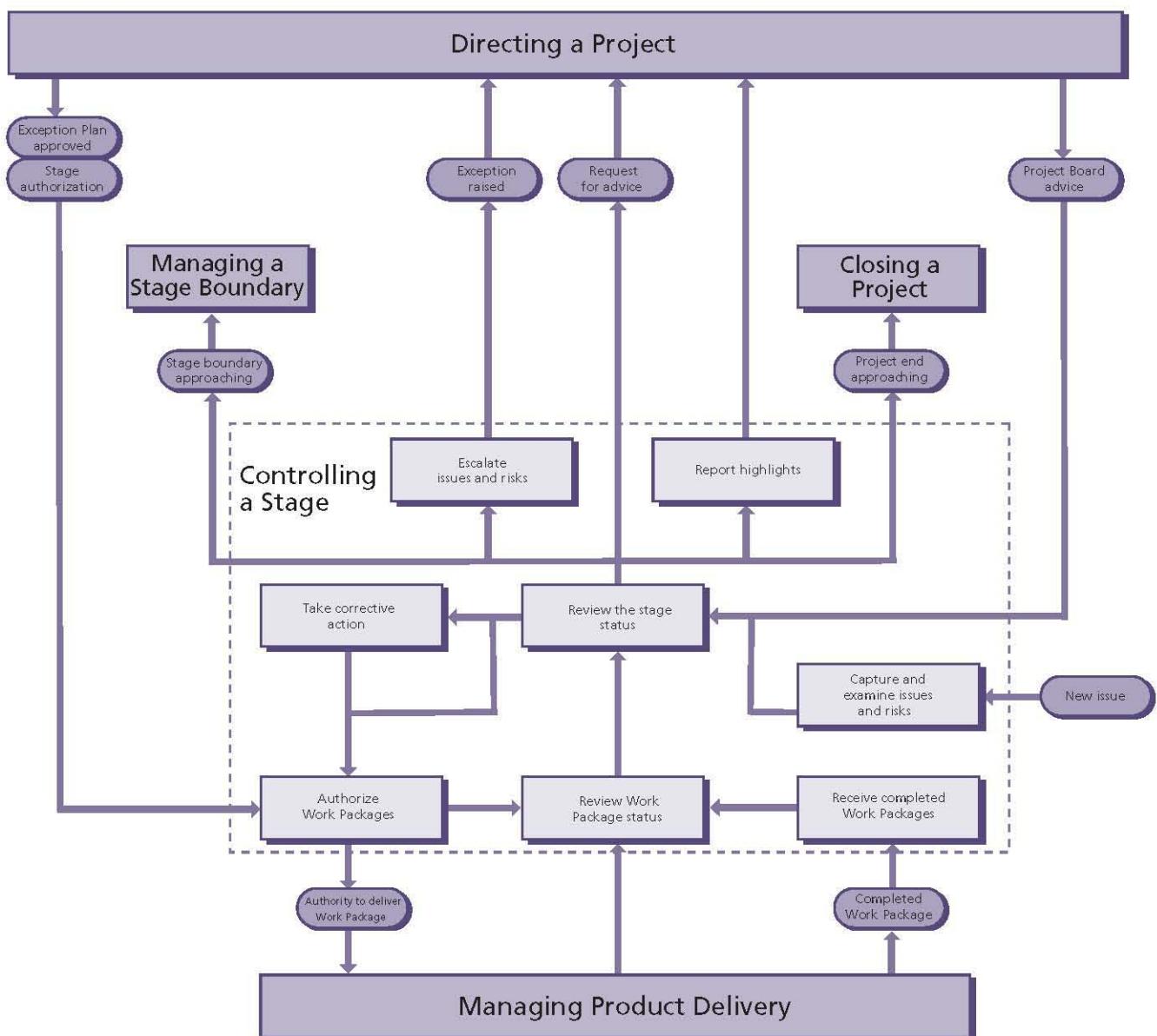


Figure 15.1 Overview of Controlling a Stage

- The Business Case is kept under review
- The agreed products for the stage are delivered to stated quality standards, within cost, effort and time agreed, and ultimately in support of the achievement of the defined benefits
- The project management team is focused on delivery within the tolerances laid down.

15.3 CONTEXT

The Controlling a Stage process describes the work of the Project Manager in handling the day-to-day management of the stage. This process will be used for each delivery stage of a project. Towards the end of each stage, except the final one, the activities within the Managing a Stage Boundary process (see Chapter 17) will occur.

The Controlling a Stage process is normally first used after the Project Board authorizes the project, but it may optionally be used during the initiation stage for large or complex projects with a lengthy initiation.

Work Packages are used to define and control the work to be done, and also to set tolerances for the Team Manager(s). In the case where the Project Manager is fulfilling the Team Manager role, Work Packages should still be used to define and control the work of the individual team members being assigned work. Where this is the case, references to Team Manager throughout the Controlling a Stage process should be regarded as references to the individual team member being assigned work.

Central to the ultimate success of the project is the day-to-day control of the work that is being conducted. Throughout a stage, this will consist of a cycle of:

- Authorizing work to be done
- Monitoring progress information about that work, including signing off completed Work Packages
- Reviewing the situation (including that for product quality) and triggering new Work Packages
- Reporting highlights
- Watching for, assessing and dealing with issues and risks
- Taking any necessary corrective action.

Towards the end of the last stage, the Closing a Project process (see Chapter 18) will be invoked.

15.4 ACTIVITIES

Controlling a Stage activities are Project-Manager-oriented and comprise:

- Work Packages:
 - Authorize a Work Package
 - Review Work Package status
 - Receive completed Work Packages
- Monitoring and reporting:
 - Review the stage status
 - Report highlights
- Issues:
 - Capture and examine issues and risks
 - Escalate issues and risks
 - Take corrective action.

15.4.1 Authorize a Work Package

It would be chaotic to have the people who are working on the project starting activities whenever they think fit. There must be a level of autonomy within the project team(s), but there will be wider issues involved of which they cannot be expected to be aware. It is therefore important that work only commences and continues with the consent of the Project Manager. The vehicle for this is the production, execution and delivery of a Work Package.

A Work Package may include extracts from, or simply cross-reference elements of, the Project Plan, Stage Plan or Project Initiation Documentation.

A Work Package should cover the work to create one or more products. If a product requires more than one Work Package to create it, then it should be broken down into further products with their supporting Product Descriptions.

The triggers for the Project Manager to authorize a Work Package include:

- Stage authorization – the Project Board gives authority to execute a Stage Plan
- Exception Plan approved – the Project Board gives authority to execute an Exception Plan
- New Work Package required – an output from reviewing the stage status (see section 15.4.4)
- Corrective action – in response to an issue or risk.

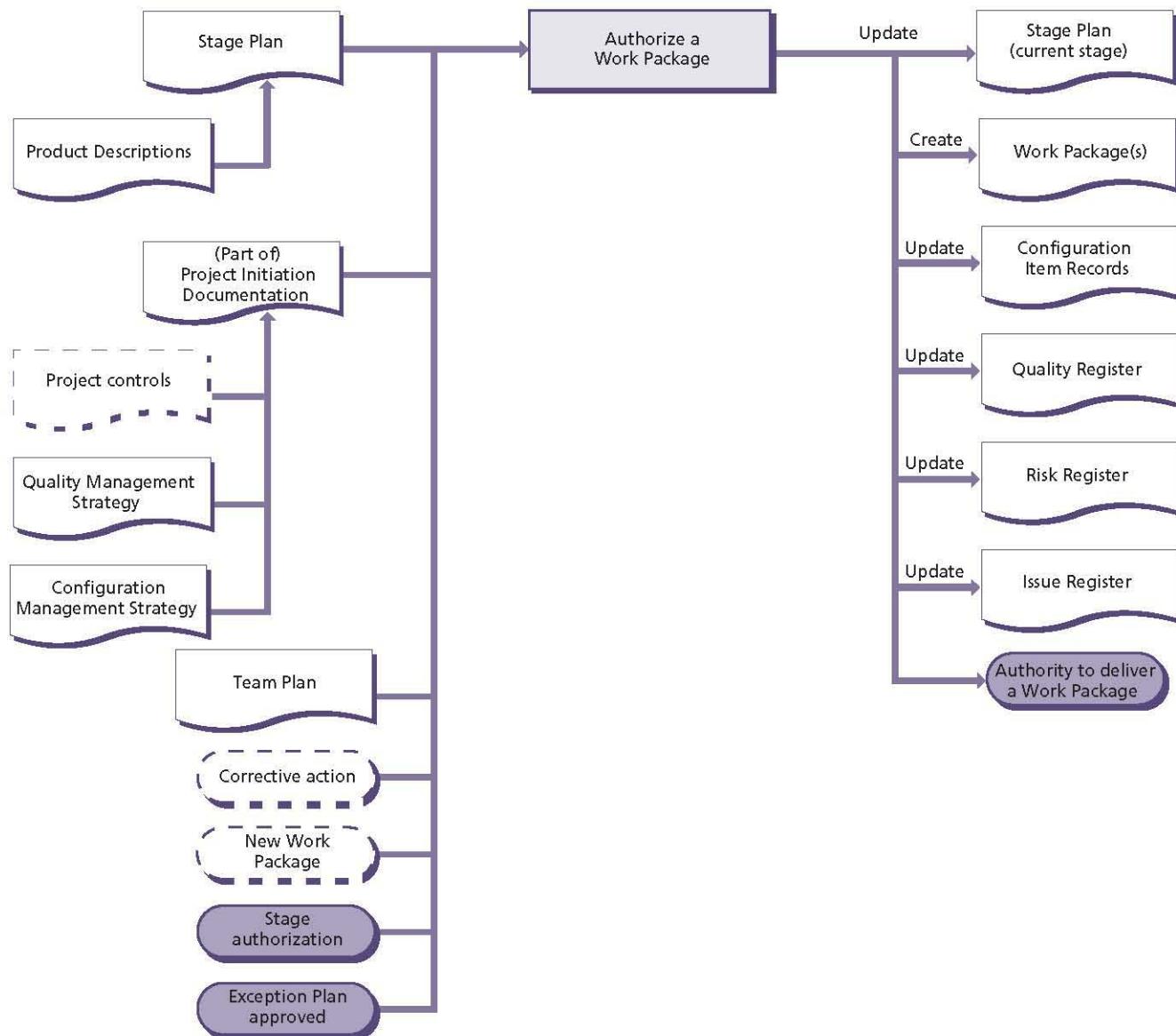


Figure 15.2 Authorize a Work Package: activity summary

This activity is used to authorize new Work Packages or to authorize amendments to existing ones.

Figure 15.2 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Examine the Stage Plan for the current management stage in order to understand the:
 - Products to be produced
 - Cost and effort that the work is expected to consume
 - Tolerances available
- Examine the Project Initiation Documentation in order to understand:

- The project controls required (for example, progress reporting arrangements)
- The quality standards required, as defined in the Quality Management Strategy
- If any products are to be handed over, how this will be done (as defined in the Configuration Management Strategy)
- Define each Work Package to be authorized (or amended):
 - Obtain the relevant Product Descriptions for inclusion in the Work Package
 - Define the techniques, processes and procedures to be used
 - Define the development interfaces to be maintained

- Define the operational and maintenance interfaces to be maintained
 - Define the configuration management requirements
 - Define the joint agreements on effort, cost, start and end dates, key milestones and tolerances
 - Define any constraints that may apply
 - Define the reporting, problem handling and escalation arrangements
 - Define the approval method
 - Provide relevant references (e.g. Stage Plan, Product Descriptions)
- Review the Work Package with the Team Manager, ensure that they have accepted it, and authorize them to begin work (see Chapter 16)
- Review the Team Manager's Team Plan (or the milestone extract from it if the commercial environment means it is inappropriate for the Project Manager to see its contents) and update

the Stage Plan to reflect the timing of the Work Package(s) authorized

- Update the Configuration Item Records to reflect the content of the Work Package(s) authorized
- Update the Quality Register for planned quality management activities. Consult with Project Assurance that the identified and selected quality reviewers are acceptable
- If necessary, update the Risk Register in accordance with the Risk Management Strategy
- If necessary, update the Issue Register.

Table 15.1 shows the responsibilities for this activity.

15.4.2 Review Work Package status

This activity provides the means for a regular assessment of the status of the Work Package(s). The frequency and formality of this activity will usually be aligned with the frequency of reporting defined in the Work Package(s) and supported by the Stage Plan for the current stage.

Table 15.1 Authorize a Work Package: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Work Package	Create					P	(A)	R		A26
Configuration Item Record(s)	Create/update					A	(R)	R	P	A5
Quality Register	Update					R	(R)	R	P	A23
Risk Register	Update					P				A25
Issue Register	Update					P				A12
Team Plan	Review					R	(P)			
Stage Plan	Update					P	(R)	R		A16

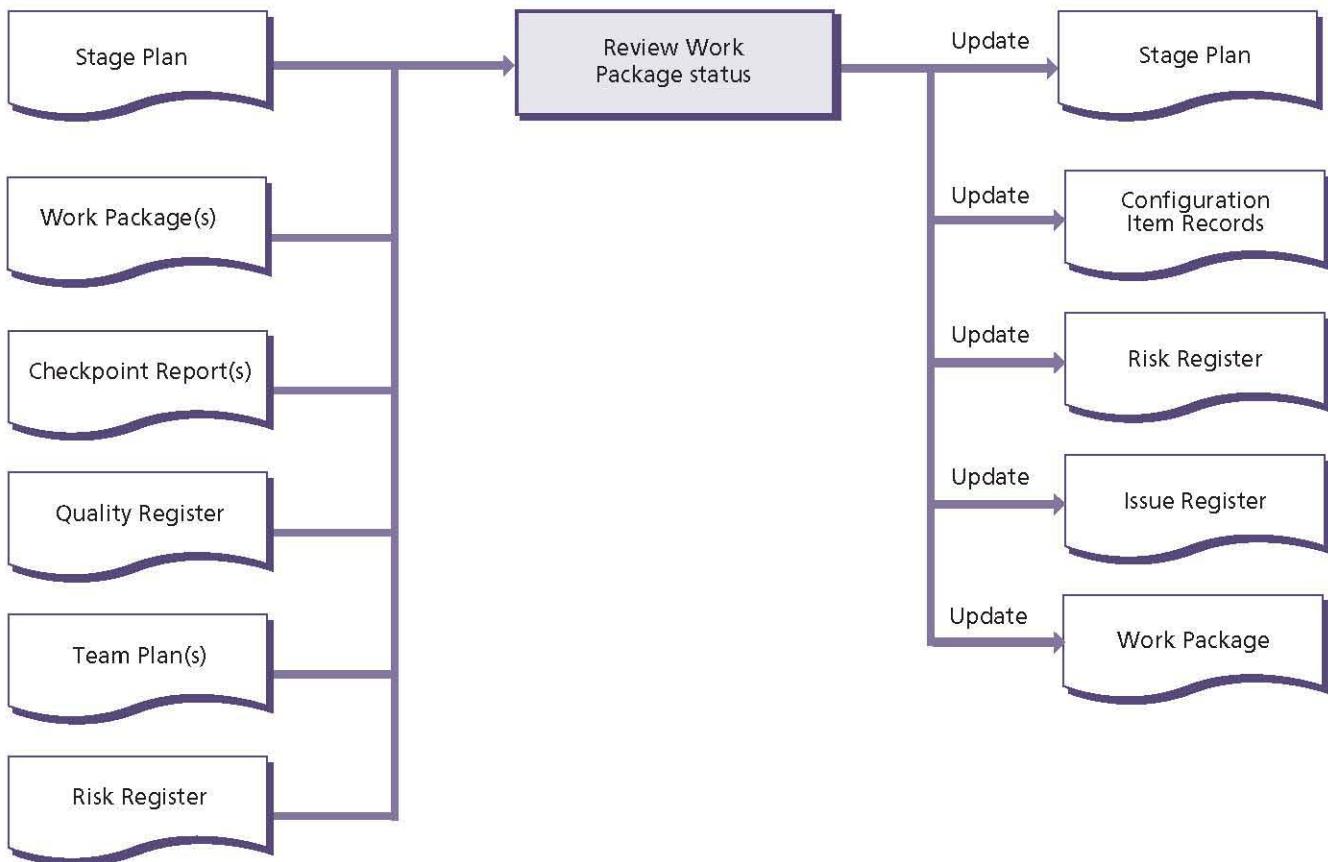


Figure 15.3 Review Work Package status: activity summary

Table 15.2 Review Work Package status: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Checkpoint Report	Review					R (P)				A3
Team Plan	Review					R (P)				
Stage Plan	Update					P	R			A16
Configuration Item Record(s)	Update					A (R)	R	P		A5
Risk Register	Update					P				A25
Issue Register	Update					P				A12

Figure 15.3 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions for each Work Package in progress:

- Collect and review progress information from the Checkpoint Report for the Work Package being executed:
 - Assess the estimated time and effort to complete any unfinished work (including that not yet started)
 - Review the Team Plan with the Team Manager (or the milestone extract from it if the commercial environment means it is inappropriate for the Project Manager to see its contents) to ascertain whether work will be completed on time and to budget
 - Review entries in the Quality Register to understand the current status of quality management activities
 - Confirm that the Configuration Item Record for each product in the Work Package matches its status
- If necessary, update the Risk Register and Issue Register
- Update the Stage Plan for the current stage with actuals to date, forecasts and adjustments.

Table 15.2 shows the responsibilities for this activity.

15.4.3 Receive completed Work Packages

Where work has been allocated to individuals or teams, there should be a matching confirmation that the work has been completed and approved.

Once approved, any subsequent changes to the product(s) must pass through change control (see Chapter 9). This should be an automatic part of any configuration management method being used.

Figure 15.4 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Ensure that the Team Manager has completed the work defined by the Work Package(s)
- Check that the Quality Register entries relating to the product(s) are complete
- Ensure that each product in the Work Package has gained its requisite approval (as defined in the quality responsibilities in its Product Description)
- Confirm that the Configuration Item Record for each approved product has been updated
- Update the Stage Plan to show the Work Package as completed.

Table 15.3 shows the responsibilities for this activity.

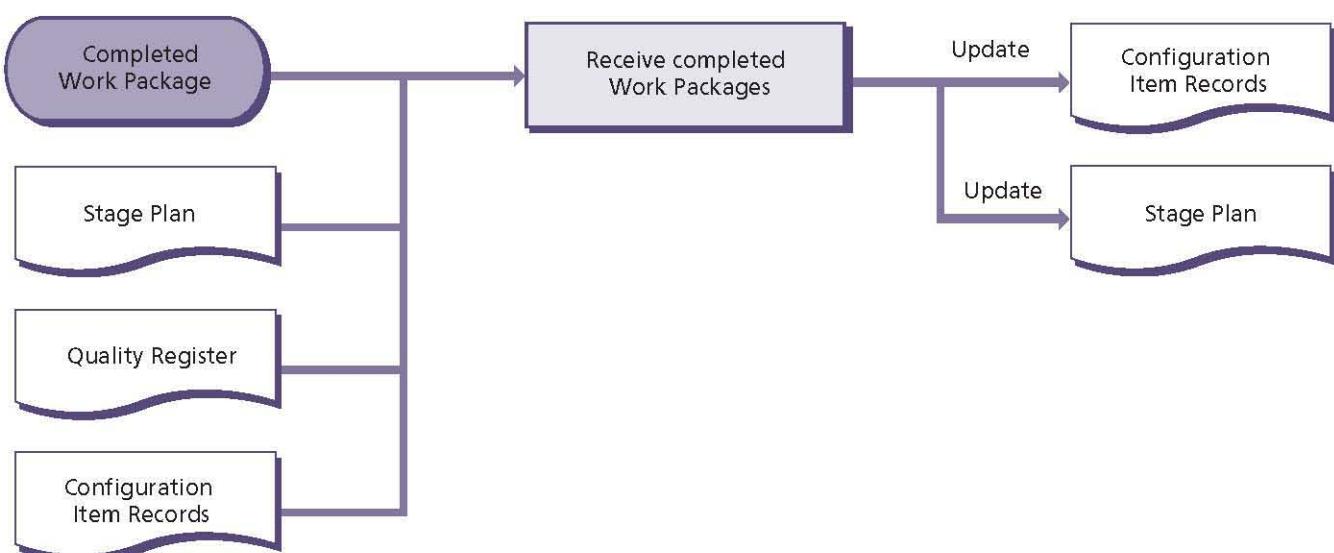


Figure 15.4 Receive completed Work Packages: activity summary

Table 15.3 Receive completed Work Packages: responsibilities

Producer – responsible for product's production
 Reviewer – ideally independent of production
 Approver – confirms approval

Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
				A	(R)	R	P	A5
Configuration Item Record(s)	Confirm			P		R		A16
Stage Plan	Update							

15.4.4 Review the stage status

If the project is not checked on a timely basis, there is a danger that it will get out of control. There needs to be a balance between planning ahead and reacting to events.

In order to make informed decisions and exercise rational control, it is necessary to compare what has actually happened with what was expected to happen and what might happen next (including any issues and risks). It is therefore essential to have a steady flow of information that provides an overall view of progress and simple, robust monitoring systems to supply that information.

The objective of this activity, therefore, is to maintain an accurate and current picture of progress on the work being carried out and the status of resources.

This activity occurs at a frequency defined in the Stage Plan, may be triggered by Project Board advice, or forms part of the analysis of new issues and risks.

Figure 15.5 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review progress for the stage:
 - Review Checkpoint Reports for the period
 - Review the current Stage Plan forecast and actuals

- Request a Product Status Account from Project Support to identify any variation between planned progress, reported progress and actual progress
 - Check for any quality issues shown in the Quality Register
 - Check the Risk Register for any new or revised risks and assess their impact on the Business Case, Stage Plan or the Project Plan
 - Check the Issue Register to see whether anything has happened within the project or externally that will impact on the Business Case, Stage Plan or the Project Plan
 - Check the status of any corrective actions
 - Assess the utilization of resources in the period under review and their availability for the remainder of the stage (or project). Check for any variation in the expected future resource availability
 - Check the Benefits Review Plan to see whether any benefits reviews are due, and execute them as necessary
- Based on the above analysis, decide whether any actions are required. For example, whether to:
- Authorize a Work Package (section 15.4.1)
 - Report highlights (section 15.4.5) in accordance with the Communication Management Strategy

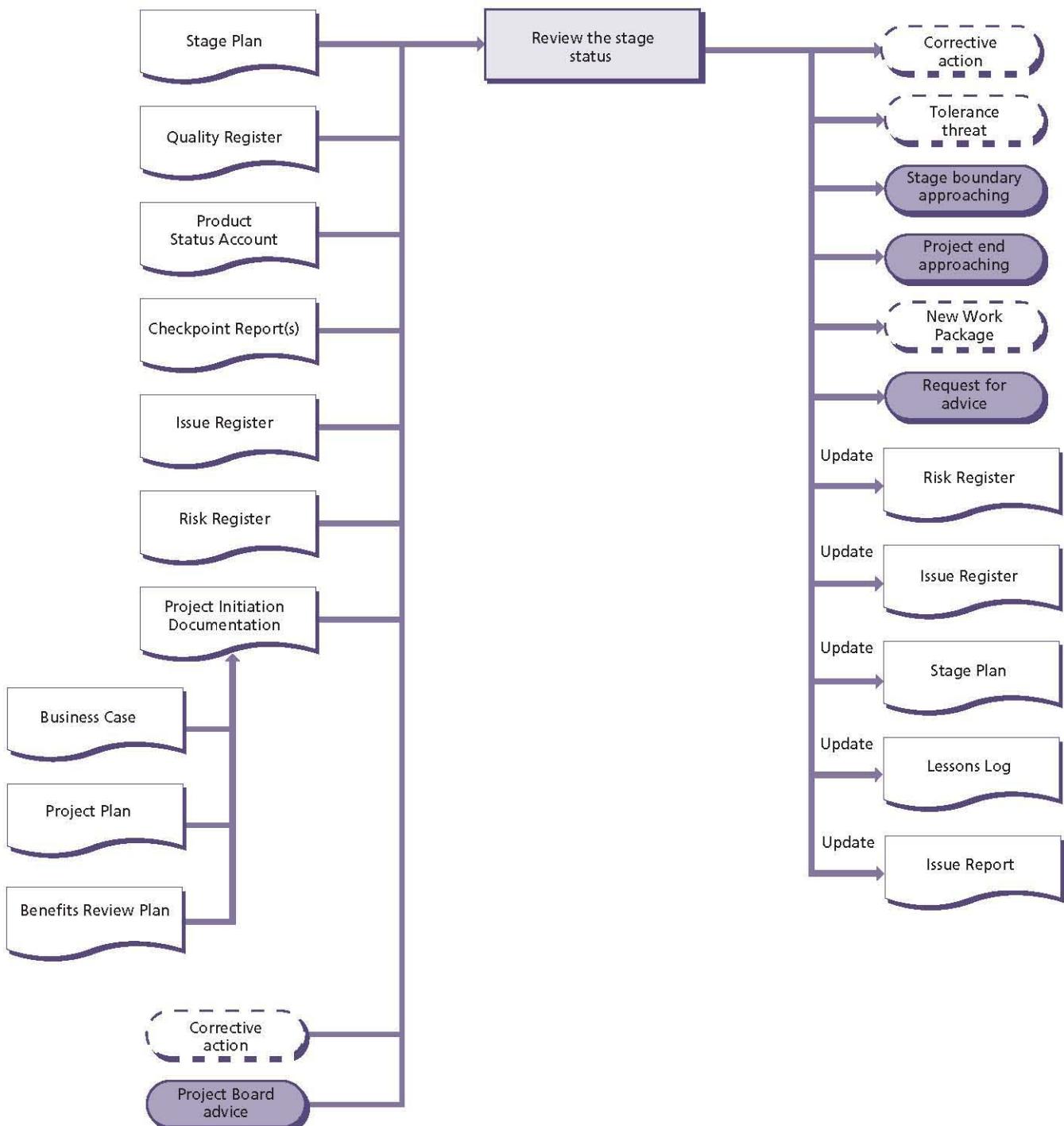


Figure 15.5 Review the stage status: activity summary

- Capture and examine issues and risks (section 15.4.6)
- Escalate issues and risks (section 15.4.7) if tolerances are threatened
- Take corrective action (section 15.4.8)
- Seek Project Board advice (and if necessary provide them with the Issue Report)
- Log any lessons that have been identified
- Continue as planned
- Revise the Risk Register and Issue Register as necessary
- Update the Stage Plan if the aggregated assessment changes any forecasts
- If ownership of any of the products is to be transferred to the customer as part of a phased handover:

Table 15.4 Review the stage status: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Risk Register	Update					P				A25
Issue Register	Update					P				A12
Stage Plan	Update					P	R			A16
Lessons Log	Update					P				A14
Issue Report	Update					P				A13

- Request a Product Status Account for the release being handed over
 - Ensure that the:
 - Products have been approved by those specified in its Product Description
 - Products meet all the quality criteria, or are covered by approved concessions
 - Operation and maintenance organizations are ready to take responsibility for the products
 - Hand over the products (see Chapter 18)
- Consider whether to review lessons now or wait until a later review of stage status or when approaching a stage end
- If the end of the current stage is approaching (as indicated by, for example, the Stage Plan, the contents of the Quality Register, a milestone etc.), prepare for the next stage (see Chapter 17)
- If the end of the final stage is approaching, prepare to close the project (see Chapter 18).

Table 15.4 shows the responsibilities for this activity.

15.4.5 Report highlights

The Project Manager must provide the Project Board with summary information about the status of the stage and project and distribute other information to stakeholders at a frequency documented in the Communication Management Strategy (as defined by the Project Board). For more details on progress controls, see Chapter 10.

Figure 15.6 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Assemble the information from the Checkpoint Reports, Risk Register, Issue Register, Quality Register, Lessons Log, Product Status Account and any significant revisions to the Stage Plan for the current reporting period (the information is gained from the review of the stage status – see section 15.4.4)
- Assemble a list of corrective actions (as noted in the Daily Log and/or recorded in the Issue Register) undertaken during the reporting period. This will, for example, assure the Project Board that the Project Manager is acting within the agreed tolerances (the information is gained from taking corrective action – see section 15.4.8)

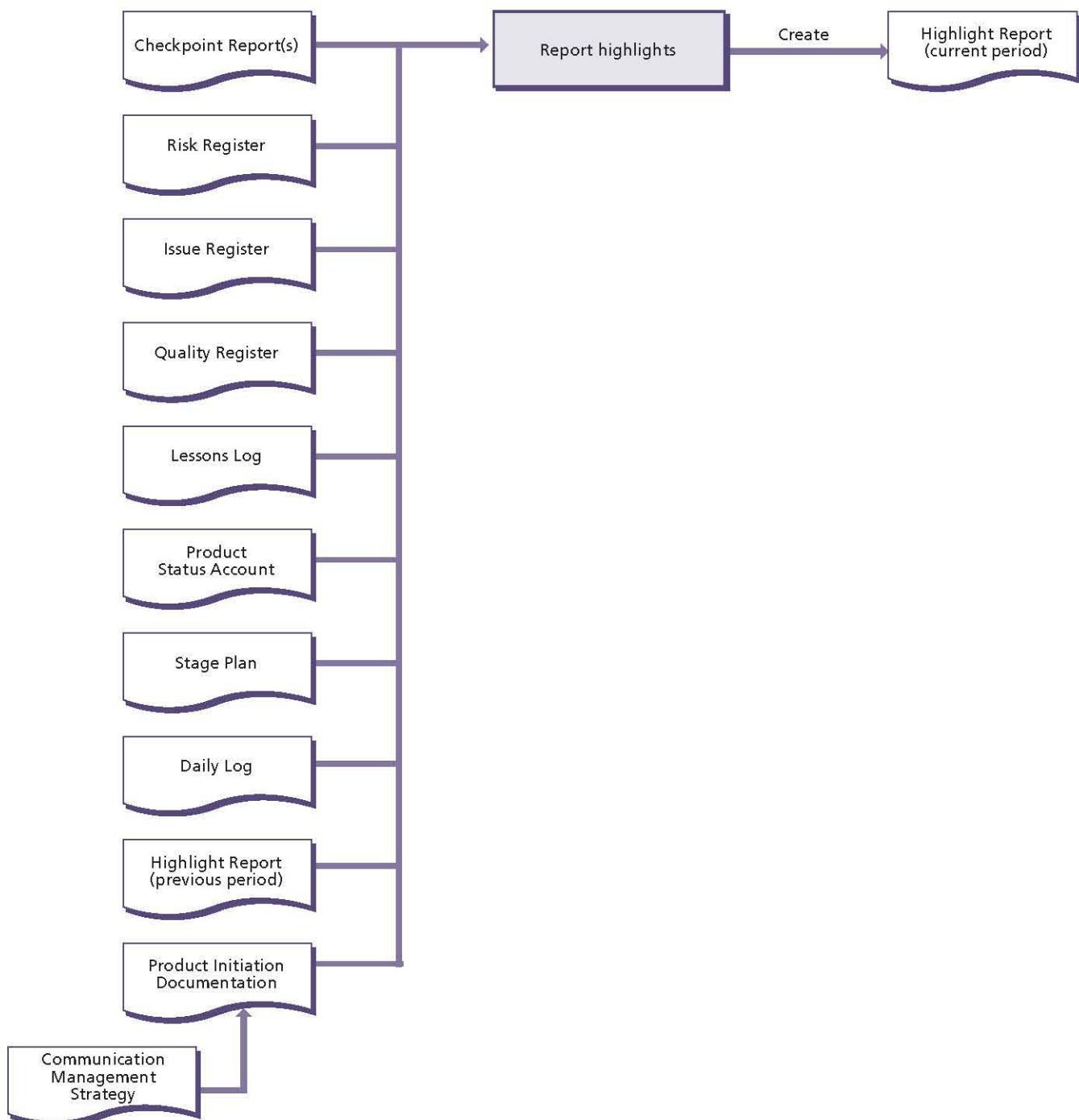


Figure 15.6 Report highlights: activity summary

- Review the Highlight Report for the previous reporting period
- Produce the Highlight Report for the current reporting period
- Distribute the Highlight Report to the Project Board and any other recipients identified in the Communication Management Strategy.

Table 15.5 shows the responsibilities for this activity.

15.4.6 Capture and examine issues and risks

In the course of managing the project, various issues will occur and risks may be identified. They will arrive in an ad hoc manner and will need to be captured in a consistent and reliable way. Any member of the project, corporate or programme management, or other stakeholders may raise an issue or risk.

Table 15.5 Report highlights: responsibilities

Producer – responsible for product's production	Corporate/Programme
Reviewer – ideally independent of production	Executive
Approver – confirms approval	Senior User
	Senior Supplier
	Project Manager
	Team Manager
	Project Assurance
	Project Support
	Product Description available

Product	Action
Highlight Report	Create

Before making a decision on a course of action, each issue or risk should be registered and then assessed for its impact.

For more details on risk management, see Chapter 8.

For more details on issue and change control procedures, see Chapter 9.

Figure 15.7 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- If an issue can be dealt with by the Project Manager informally, then this should be done, and a note made in the Daily Log (see Chapter 9 for more information)
- For issues that need to be managed formally (see Chapter 9 for more information):
 - Check the requirements of the issue and change control procedure in the Configuration Management Strategy
 - Enter the issue in the Issue Register as soon as it is captured
 - Categorize the issue (is it a request for change, an off-specification or a problem/concern?)
 - Assess the severity of the issue
 - Assess the priority of the issue (for requests for change and off-specifications)
 - Assess the impact of the issue on the Stage Plan, Project Plan and Business Case

- Document the issue by creating an Issue Report
- Report the status of the issue in accordance with the Configuration Management Strategy and check the Communication Management Strategy to see whether there are any external parties that need to be informed of the issue
- For risks (see Chapter 8 for more information):
 - Check the requirements of the risk management procedure in the Risk Management Strategy
 - Enter the risk in the Risk Register as soon as it is captured
 - Identify the risk event and describe its cause and effect
 - Assess the risk against the Stage Plan, Project Plan and Business Case and plan the selected risk response
 - Report the status of the risk in accordance with the Risk Management Strategy and check the Communication Management Strategy to see whether there are any external parties that need to be informed of the risk
- If it is necessary either to take corrective action, seek advice from the Project Board, or to escalate an issue or risk, then review the stage status first so that a full picture can be considered (see section 15.4.4).

Table 15.6 shows the responsibilities for this activity.

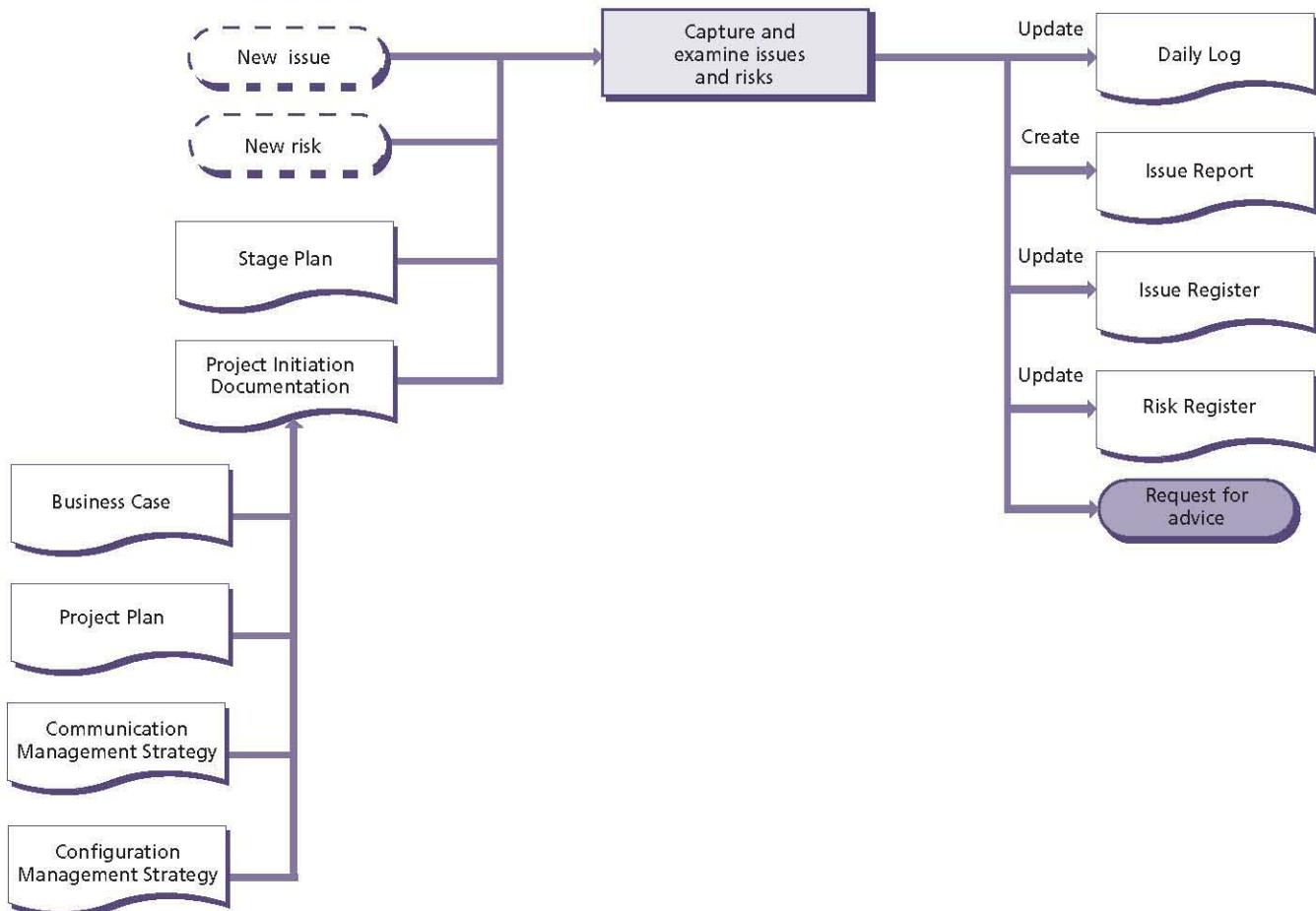


Figure 15.7 Capture and examine issues and risks: activity summary

Table 15.6 Capture and examine issues and risks: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Product	Action								
Daily Log	Update				P				A7
Issue Report	Create				P				A13
Issue Register	Update				P				A12
Risk Register	Update				P				A25

15.4.7 Escalate issues and risks

A stage should not exceed the tolerances agreed with the Project Board. The Project Manager can only take corrective action or maintain the status quo as long as the stage (or project) is forecast to be completed within the tolerances set by the Project Board. This activity applies where any corrective action within the Project Manager's control would not save the stage (or project) from going beyond the tolerances agreed. This applies to all types of issue and risk (or aggregation of them) that cannot be resolved within the tolerances set by the Project Board.

As it may take some time to gather the information to create an Exception Report, it is recommended that the Project Board be alerted as early as possible. Therefore, the Project Manager may wish to execute this activity in two steps: an early notification to the Project Board of the forecast exception situation in order to prepare them,

followed by supporting information in the form of an Exception Report.

The Project Manager should execute any decision by the Project Board in response to the escalation.

Escalating issues and risks is good practice and should not be seen as failure. The earlier that issues are escalated, the more time is available to implement any corrective actions.

For more details on management of risk, see Chapter 8.

For more details on issue and change control, see Chapter 9.

For more details on exception management, see Chapter 10.

Figure 15.8 shows the inputs to, and outputs from, this activity.

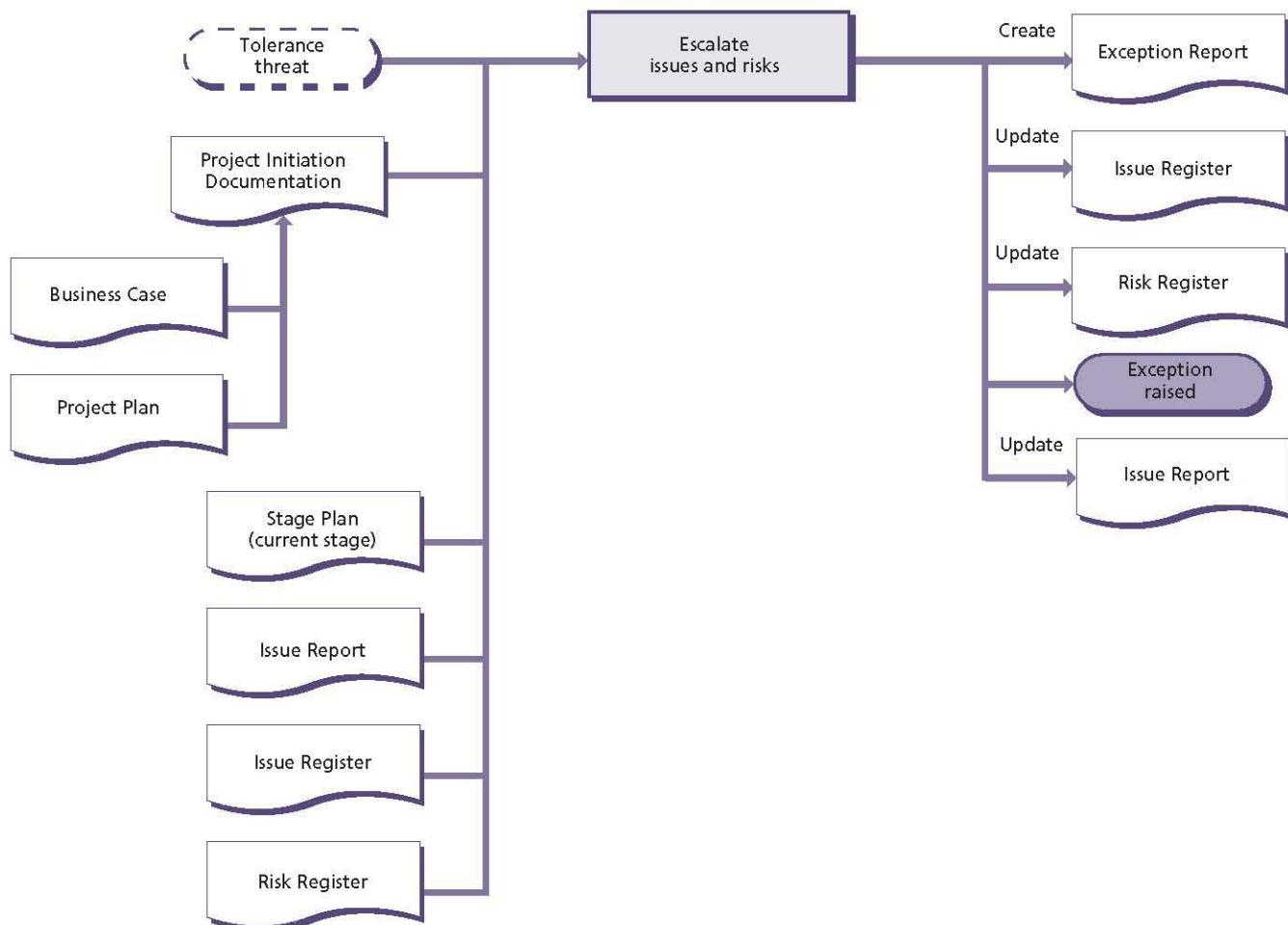


Figure 15.8 Escalate issues and risks: activity summary

PRINCE2 recommends the following actions:

- Examine the Stage Plan to define the extent of the deviation and the unfinished products, and to extrapolate what would happen if the deviation were allowed to continue
- Examine the Project Plan for the project status and overall effect of any deviation (using the current baseline of the Project Initiation Documentation)
- Determine the options for recovery and assess them against the Business Case
- Assess the impact of the options for recovery against the Stage Plan for the current stage. Consideration should be given to the availability of individuals or groups with the skills or experience to assess the impact
- Put the situation, options and the recommendation for a course of action to the Project Board in an Exception Report. The Project Board will then decide on an appropriate course of action (which may support or otherwise the Project Manager's recommendation). This may include:
 - Requesting more information or more time to consider their response
 - Approving, deferring or rejecting a request for change

- Granting a concession for an off-specification, or deferring or rejecting it
- Increasing the tolerances that are forecast to be breached
- Instructing the Project Manager to produce an Exception Plan, stating what will be acceptable (see Chapter 17)
- Instructing the Project Manager to close the project prematurely (see Chapter 18).

Table 15.7 shows the responsibilities for this activity.

15.4.8 Take corrective action

Changes and adjustments to the project need to be made in a considered and rational way, even when they appear to be easily manageable and within tolerances.

In taking corrective action, the objective is to select and, within the limits of the stage and project tolerances, implement actions that will resolve deviations from the plan. Corrective action is triggered during the review of the stage status (section 15.4.4) and typically involves dealing with advice and guidance received from the Project Board, and with issues raised by Team Managers.

Table 15.7 Escalate issues and risks: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Exception Report	Create		(A)	(R)	(R)	P		R		A10
Issue Register	Update					P				A12
Risk Register	Update					P				A25
Issue Report	Update					P				A13

For more details on planning, see Chapter 7. For more details on issue and change control, see Chapter 9.

Figure 15.9 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Collect any relevant information about the deviation (from the Configuration Item Records, Issue Register, Risk Register, Issue Report, Exception Report, Project Board advice, Daily Log)
- Identify the potential ways of dealing with the deviation and select the most appropriate option
- Trigger corrective action via authorizing a Work Package (see section 15.4.1)

- Update the Configuration Item Records of the affected products
- Update the Issue Report (if necessary) to show the status of the corrective action
- Update the Issue Register with any changes resulting from the corrective action (or if being handled informally, update the Daily Log with the details and status of the corrective action)
- Update the Risk Register with any changes resulting from the corrective action
- Update the Stage Plan for the current stage.

Table 15.8 shows the responsibilities for this activity.

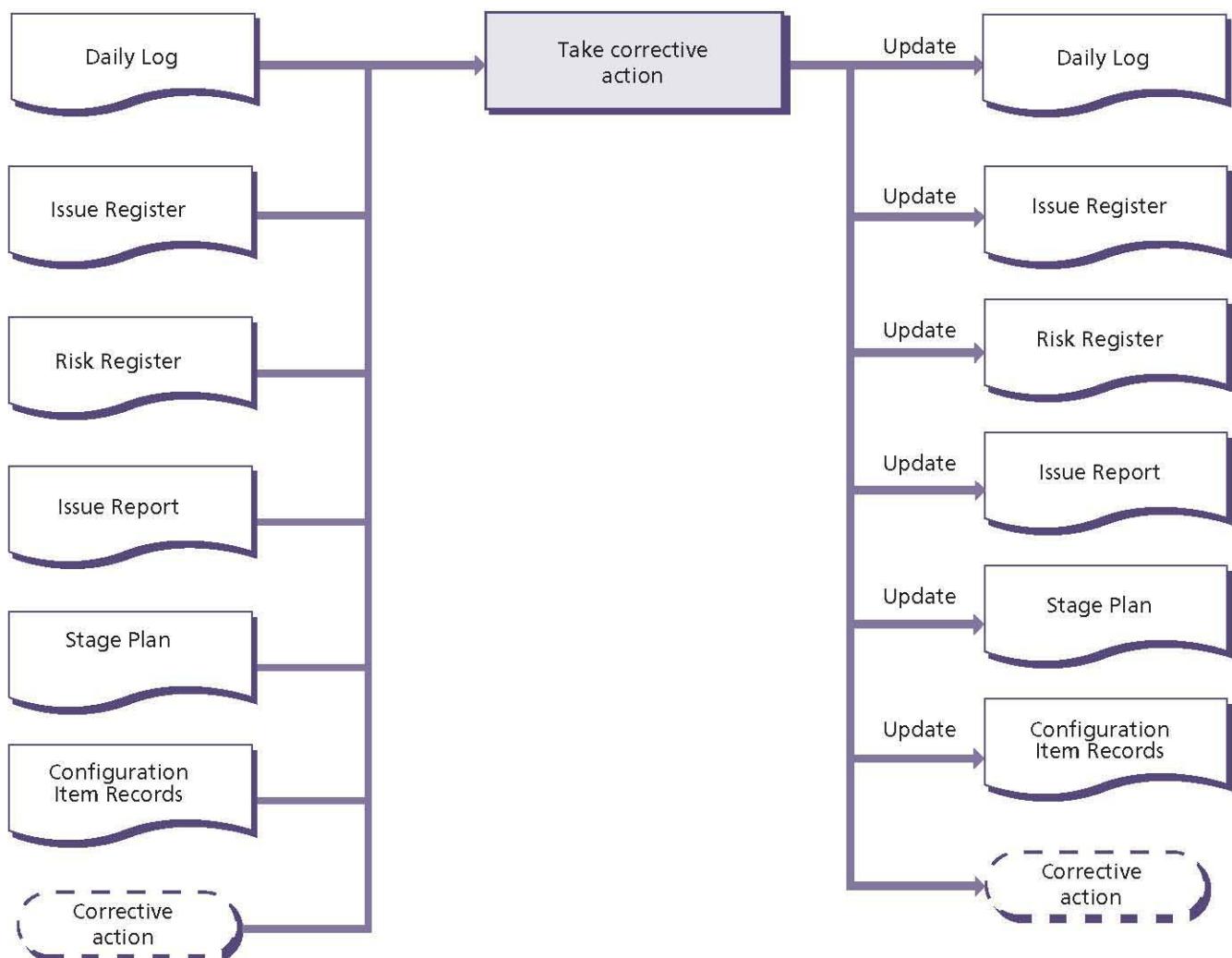


Figure 15.9 Take corrective action: activity summary

Table 15.8 Take corrective action: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme						Product Description available
		Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	
Issue Register	Update				P			A12
Risk Register	Update				P			A25
Issue Report	Update				P	R		A13
Stage Plan	Update				P	R		A16
Configuration Item Records	Update				P	(R)	R	A5
Daily Log	Update				P			A7

16 Managing Product Delivery

16.1 PURPOSE

The purpose of the Managing Product Delivery process is to control the link between the Project Manager and the Team Manager(s), by placing formal requirements on accepting, executing and delivering project work.

The role of the Team Manager(s) is to coordinate an area of work that will deliver one or more of the project's products. They can be internal or external to the customer's organization.

16.2 OBJECTIVE

The objective of the Managing Product Delivery process is to ensure that:

- Work on products allocated to the team is authorized and agreed
- Team Managers, team members and suppliers are clear as to what is to be produced and what is the expected effort, cost or timescales
- The planned products are delivered to expectations and within tolerance
- Accurate progress information is provided to the Project Manager at an agreed frequency to ensure that expectations are managed.

16.3 CONTEXT

Managing Product Delivery views the project from the Team Manager's perspective, while the Controlling a Stage process views it from the Project Manager's perspective.

The Team Manager ensures that products are created and delivered by the team to the project by:

- Accepting and checking authorized Work Packages from the Project Manager
- Ensuring that interfaces identified in the Work Package are maintained
- Creating a Team Plan for the Work Packages being assigned (where this may be done in parallel with the Project Manager creating the Stage Plan for the management stage)
- Ensuring that the products are developed in accordance with any development method(s) specified in the Work Package
- Demonstrating that each product meets its quality criteria through the quality method(s) specified in the Product Description – this may include using the PRINCE2 quality review technique (see Chapter 6)
- Obtaining approval for completed products from the authorities identified in the Product Description

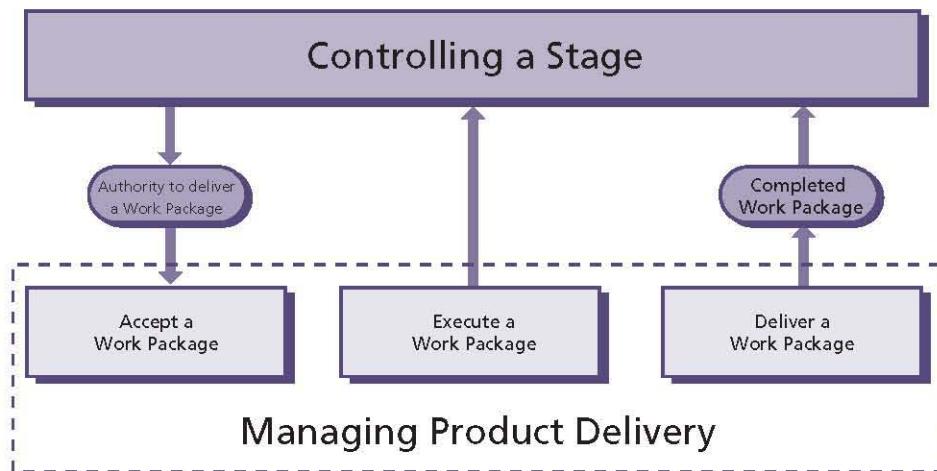


Figure 16.1 Overview of Managing Product Delivery

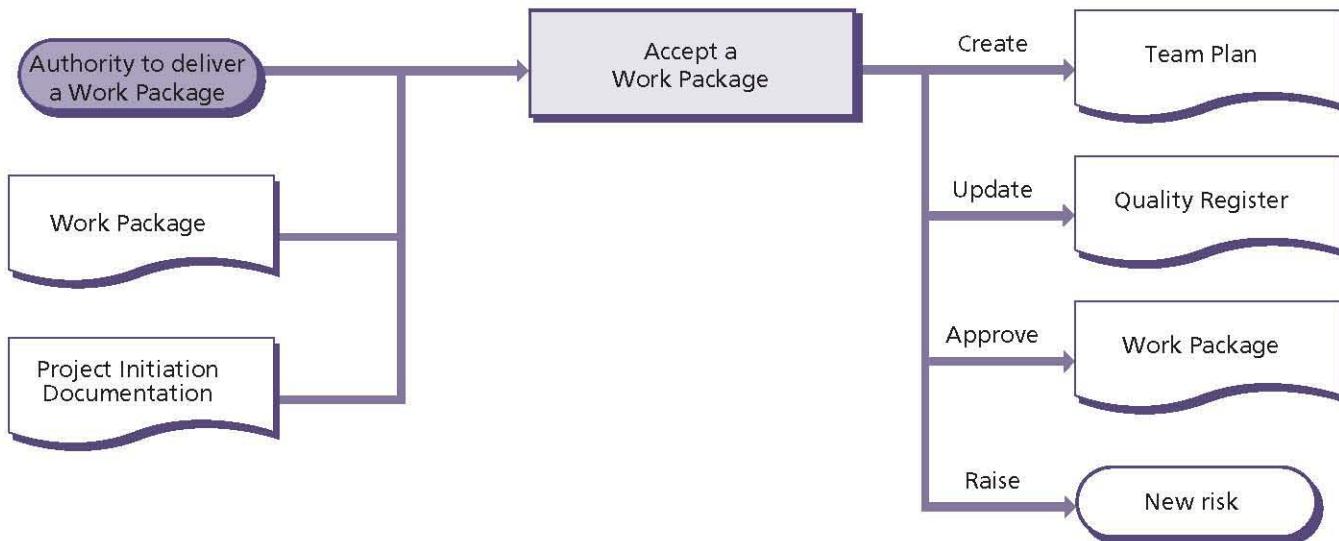


Figure 16.2 Accept a Work Package: activity summary

Table 16.1 Accept a Work Package: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
			(A)	(A)	P	R		
				(R)	P			
				(R)	R		(P)	A23
				(P)	A	R		A26

- Delivering the products to the Project Manager in accordance with any procedures specified in the Work Package.

If the project uses external suppliers that are not using PRINCE2, Managing Product Delivery provides a statement of the required interface between the Team Manager and the PRINCE2 method being used in the project by the Project Manager. The Work Package may be part of a contractual agreement. Therefore, the formality of a Team Plan could vary from simply appending a schedule to the

Work Package, to creating a fully formed plan that is presented in a similar style to a Stage Plan.

16.4 ACTIVITIES

The activities within the Managing Product Delivery process are Team-Manager-oriented and are to:

- Accept a Work Package
- Execute a Work Package
- Deliver a Work Package.

16.4.1 Accept a Work Package

The fundamental principle is that before a Work Package is allocated to a team, there should be agreement between the Project Manager and the Team Manager as to what is to be delivered, the reporting requirements, what constraints apply, any procedures to be applied, and whether the requirements of the Work Package are reasonable and can be achieved.

Figure 16.2 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Work Package:
 - Obtain any referenced documentation
 - Clarify with the Project Manager what is to be delivered
 - Negotiate with the Project Manager, on behalf of the team, the constraints within which the work is to be done
 - Agree tolerances for the Work Package

- Understand the reporting requirements
- Understand how, and from whom, approval for the product(s) is to be obtained
- Understand how the approved product(s) is to be formally handed over
- Confirm how the Project Manager is to be informed about the completion of the Work Package

- Produce a Team Plan to show that the product(s) can be completed within the given constraints. Consult with Project Assurance (supplier) that the Team Plan is viable and in accordance with relevant supplier standards. Seek necessary approval for the Team Plan (although in a commercial customer/supplier relationship, it may be inappropriate for the Project Manager to review and approve the Team Plan, in which case the key milestones will be summarized in the Work Package. In a commercial context, the Senior Supplier may review and approve the Team Plans)

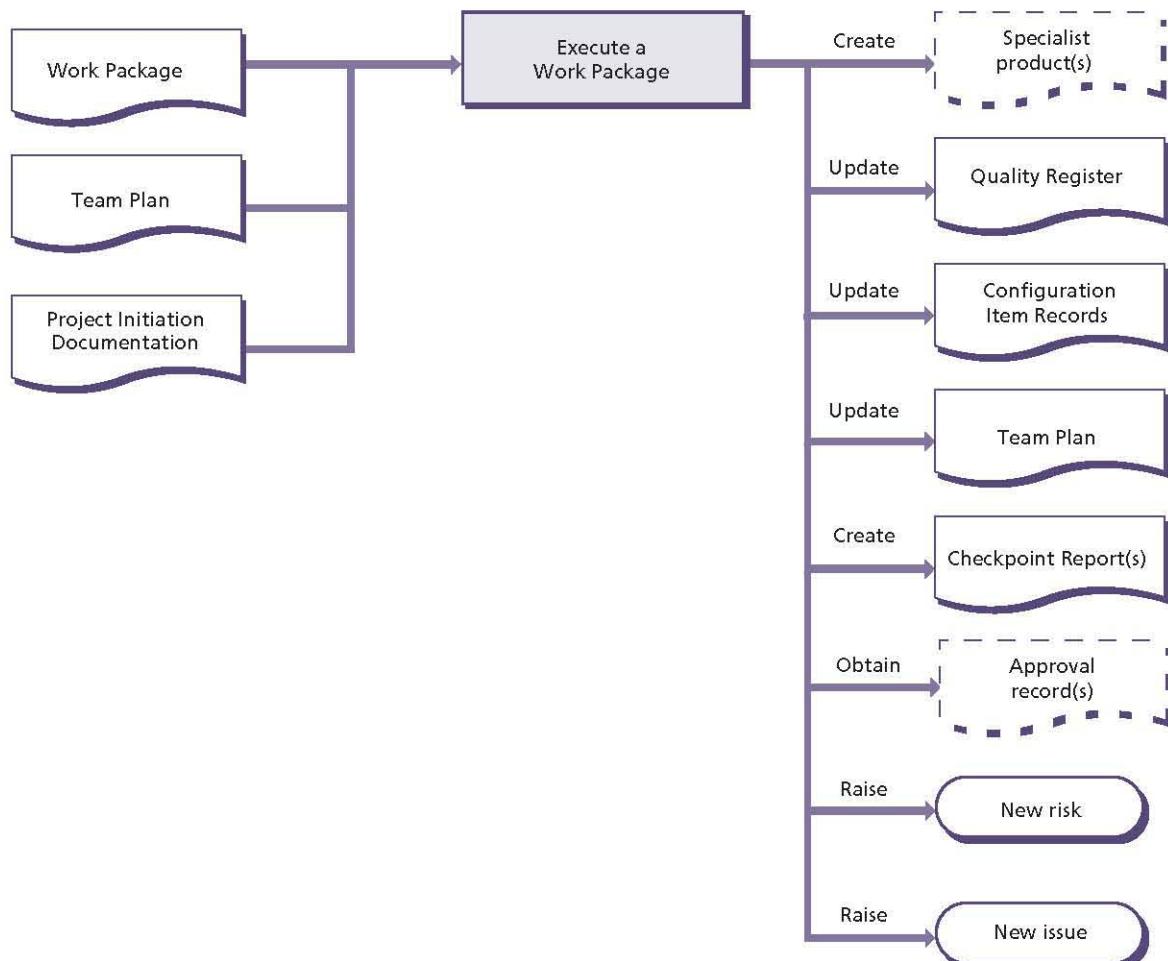


Figure 16.3 Execute a Work Package: activity summary

- Undertake a review of the risks against the Team Plan, and advise the Project Manager of any additional or modified risks (and if the Work Package allows the Team Manager to directly log the risks, then the Team Manager should update the Risk Register)
- Consult with Project Assurance as to whether any extra reviewers are required and ensure that the Quality Register is updated accordingly (check the Work Package for the procedure to update the Quality Register)
- Agree to deliver the Work Package.

Table 16.1 shows the responsibilities for this activity.

16.4.2 Execute a Work Package

The work has to be executed and monitored to the requirements defined in the authorized Work Package.

While developing the products, the Team Manager should not exceed the Work Package tolerances agreed with the Project Manager. The Team Manager can only proceed with the Work Package or take corrective action while the Work Package

is forecast to complete within the tolerances set by the Project Manager. As soon as Work Package tolerances are forecast to be exceeded, the Team Manager should raise an issue to the Project Manager who will decide upon a course of action.

Figure 16.3 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Manage the development of the required products:
 - Develop the product(s) required by the Work Package to the quality criteria defined in the Product Description(s)
 - Ensure that the work is conducted in accordance with the required techniques, processes and procedures specified in the Work Package
 - Maintain the development and operational and support interfaces as detailed in the Work Package
 - Check the Work Package for the procedure to update the Quality Register (for example, to record completed quality management activities)

Table 16.2 Execute a Work Package: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Specialist products	Create		(A)	(A)	(A)	(R)	P	R		
Quality Register	Update					(R)	R		(P)	A23
Configuration Item Records	Update						P		P	A5
Team Plan	Update						P	R		
Checkpoint Report	Create					(R)	P			A3
Issue	Raise					(R)	P			
Risk	Raise					(R)	P			
Approval records	Obtain					(R)	P	R	R	

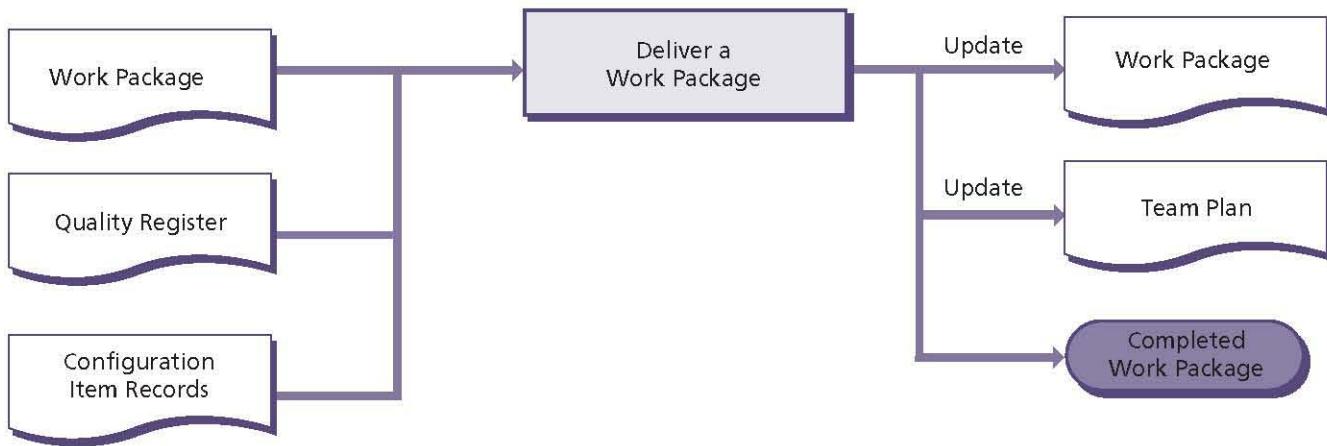


Figure 16.4 Deliver a Work Package: activity summary

Table 16.3 Deliver a Work Package: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Work Package	Update					(A)	P	R		A26
Team Plan	Update					(R)	P	R		

- Capture and record the effort expended
- Monitor and control any issues and risks associated with the Work Package and advise the Project Manager of their status
- Notify the Project Manager of any new issues, risks or lessons. The Project Manager can then decide on an appropriate course of action. Take the action required by the Project Manager
- Obtain approvals for completed products:
 - Check the Work Package and follow the method of obtaining and issuing approval records
 - Check the Work Package and follow the procedure to update the Configuration Item Records (to change the status of the products that have been completed)
- Review and report the status of the Work Package to the Project Manager:
 - Determine the status of each product in the Work Package
 - Update the Team Plan and, if necessary, consult with Project Assurance (supplier) regarding its viability

- Feed the progress information back to the Project Manager in Checkpoint Reports, in the manner and at the frequency defined in the Work Package
- If the agreed tolerances for the Work Package are forecast to be exceeded, notify the Project Manager by raising an issue.

Table 16.2 shows the responsibilities for this activity.

16.4.3 Deliver a Work Package

Just as the Work Package was accepted from the Project Manager, notification of its completion must be returned to the Project Manager.

Figure 16.4 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the Quality Register to verify that all the quality activities associated with the Work Package are complete
- Review the approval records to verify that all the products to be delivered by the Work Package are approved
- Update the Team Plan to show that the Work Package is complete
- Check the Work Package and follow the procedure to deliver completed products. Notify the Project Manager that the Work Package is complete.

Table 16.3 shows the responsibilities for this activity.

17 Managing a Stage Boundary

17.1 PURPOSE

The purpose of the Managing a Stage Boundary process is to enable the Project Board to be provided with sufficient information by the Project Manager so that it can review the success of the current stage, approve the next Stage Plan, review the updated Project Plan, and confirm continued business justification and acceptability of the risks.

Therefore, the process should be executed at, or close to the end of, each management stage.

Projects do not always go to plan and in response to an Exception Report (if the stage or project is forecast to exceed its tolerances) the Project Board may request that the current stage (and possibly the project) is replanned. The output from replanning is an Exception Plan which is submitted

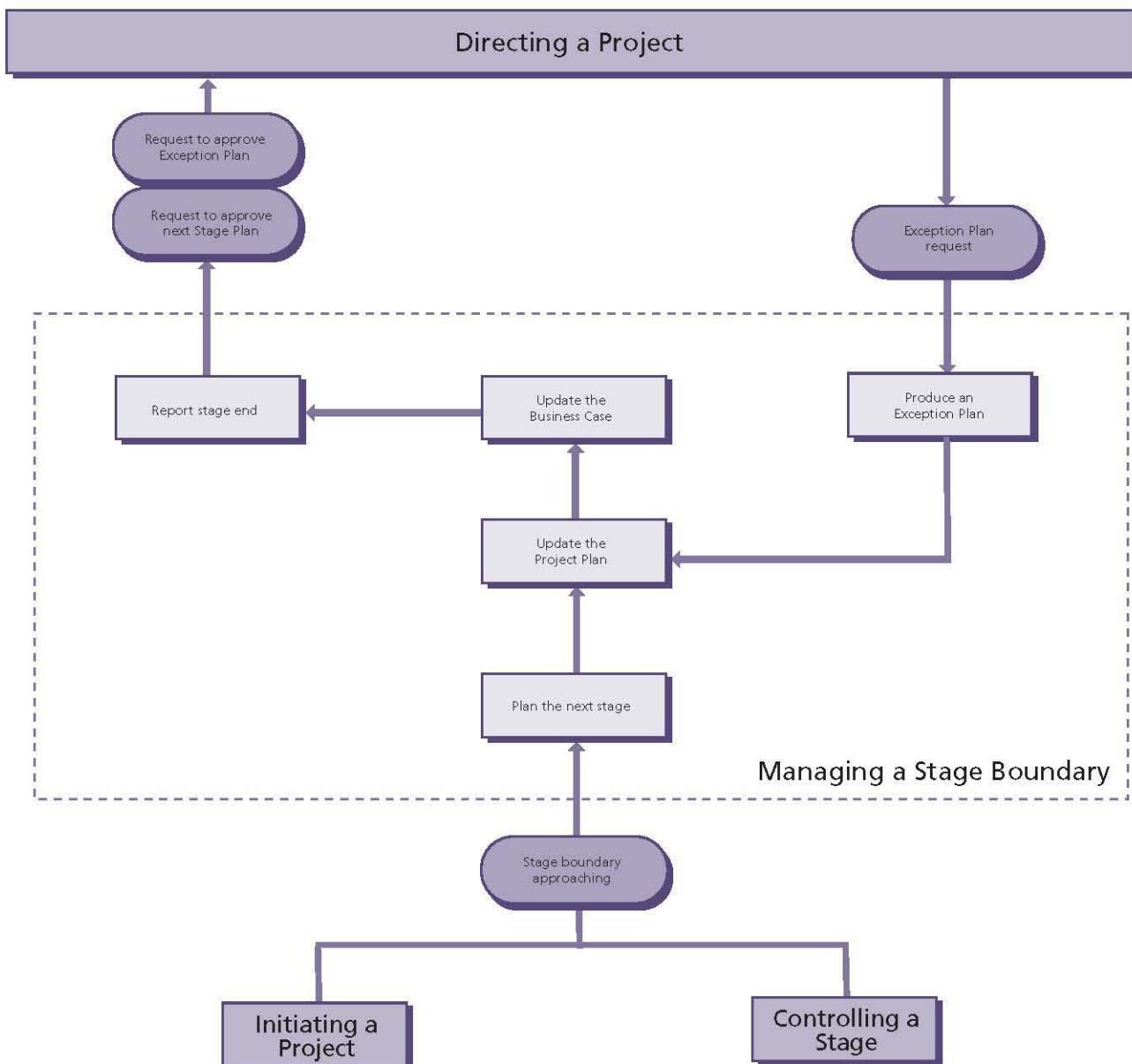


Figure 17.1 Overview of Managing a Stage Boundary

for Project Board approval in the same way that a Stage Plan is submitted for approval.

17.2 OBJECTIVE

The objective of the Managing a Stage Boundary process is to:

- Assure the Project Board that all products in the Stage Plan for the current stage have been completed and approved
- Prepare the Stage Plan for the next stage
- Review and, if necessary, update the Project Initiation Documentation (in particular the Business Case, Project Plan, project approach, strategies, project management team structure and role descriptions)
- Provide the information needed for the Project Board to assess the continuing viability of the project – including the aggregated risk exposure
- Record any information or lessons that can help later stages of this project and/or other projects
- Request authorization to start the next stage.

For exceptions, the objectives of the Managing a Stage Boundary process are to:

- Prepare an Exception Plan as directed by the Project Board
- Seek approval to replace the Project Plan or Stage Plan for the current stage with the Exception Plan.

Managing a Stage Boundary is not used towards the end of the final stage (unless there is a need to create an Exception Plan) because the activities to review the performance of the final stage are included in the activities to review the performance of the whole project as part of the Closing a Project process.

17.3 CONTEXT

The Managing a Stage Boundary process is predicated on dividing the project into management stages (see Chapter 10).

A project, whether large or small, needs to ensure that the products it creates will deliver the benefits being sought, either in their own right or as part of a larger programme. The continuing correct focus of the project should be confirmed at the end of each stage. If necessary, the project can be redirected or stopped to avoid wasting time and money.

It is also important to recognize that projects can go wrong or can be affected by external factors that invalidate the business justification. An early identifier of potential failure is the Project Manager's forecast that any of the project or stage tolerances are likely to be exceeded. In such cases it is important to have a mechanism for corrective action in order to bring the project back into the right direction.

A positive decision not to proceed is not failure. However, providing insufficient information that prevents the Project Board from making an informed decision is itself a failure as it may lead to a wrong decision.

The Managing a Stage Boundary process provides a means by which an exception process can be implemented.

17.4 ACTIVITIES

The activities within the Managing a Stage Boundary process are Project-Manager-oriented and are to:

- Plan the next stage
- Update the Project Plan
- Update the Business Case
- Report stage end
- Produce an Exception Plan.

17.4.1 Plan the next stage

The Stage Plan for the next management stage is produced near the end of the current stage. Closure activities should be planned as part of the Stage Plan for the final stage.

Planning is not an activity undertaken in isolation. The Project Manager will need to consult with the Project Board, Project Assurance, Team Managers and possibly other stakeholders in order to create a viable plan. The more people involved in planning, the more robust the plan will be (so long as the right people are involved). See Chapter 7 for more details on planning.

Figure 17.2 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Review the components of the Project Initiation Documentation. It may be necessary to consult with the Project Board regarding any required changes. The following should be reviewed and, if necessary, updated:

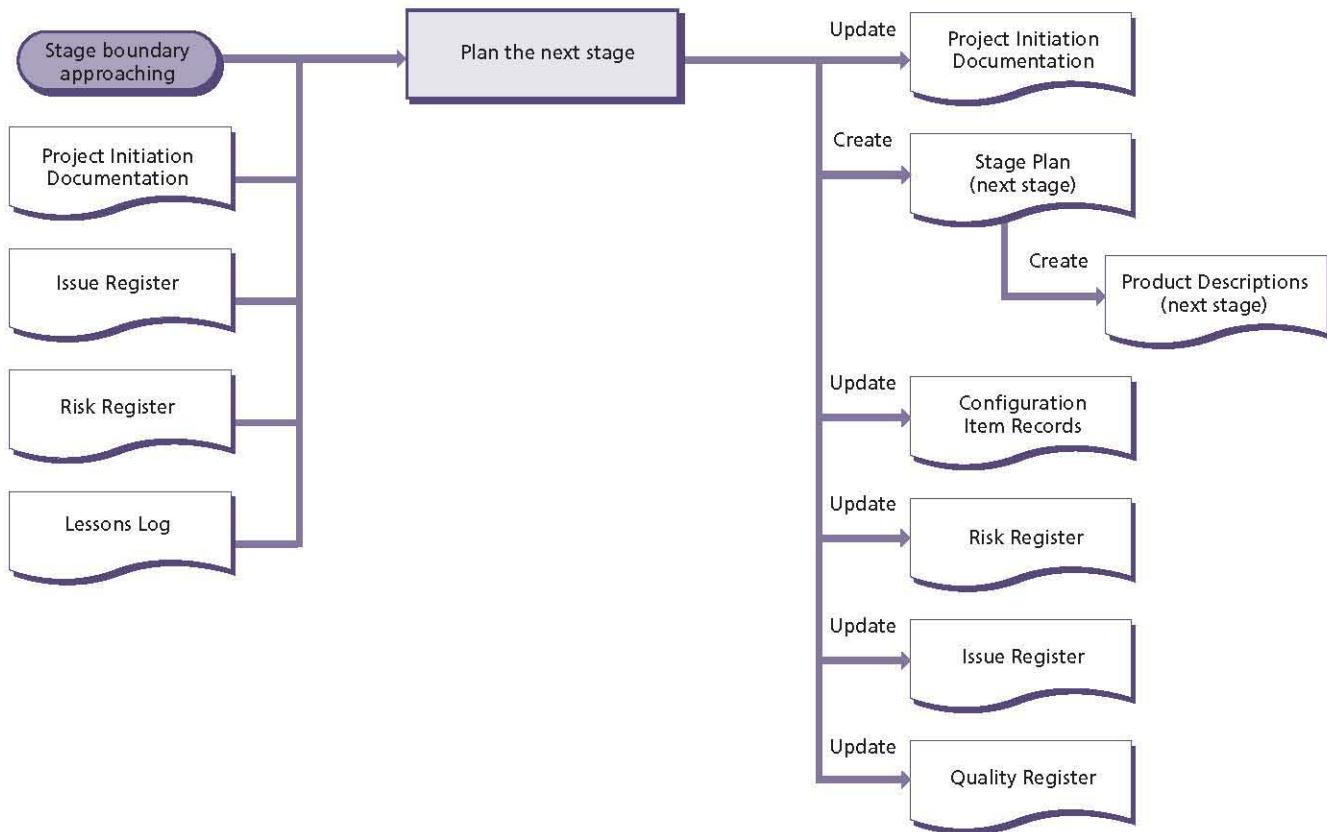


Figure 17.2 Plan the next stage: activity summary

Table 17.1 Plan the next stage: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Project Initiation Documentation	Update	(R)	(A)	(A)	(A)	P		R		A20
Stage Plan	Create		(A)	(A)	(A)	P		R		A16
Configuration Item Records	Create/update					P		R	R	A5
Risk Register	Update					P		R		A25
Issue Register	Update					P		R		A12
Quality Register	Update					R		R	P	A23

- Any change to the customer's quality expectations, acceptance criteria or project approach
- The relevance and suitability of the strategies and controls
- Any change in the project management team or their role descriptions (in particular the situation with regard to external resources or suppliers as these may affect the Stage Plan)
- Produce the Stage Plan for the next stage:
 - Decide how the plan can best be presented given its audience, and how it will be used
 - Review the Project Plan to understand the products required for the next stage
 - Examine the Quality Management Strategy for the quality standards and procedures required
 - Create (or update) the product breakdown structure, Product Descriptions and product flow diagram for the products to be delivered by the next stage
 - Review the Issue Register as it may contain issues marked for assessment at the stage end or information that affects the next stage
 - Review the Risk Register for any risks that may affect the Stage Plan for the next stage, and check the status of risk responses by consulting with the risk owners
- Create (or update) Configuration Item Records for products to be produced in the next stage

- Update the Issue Register and Risk Register if any new issues or risks have been identified (or if existing ones need to be modified)
- Update the Quality Register for planned quality management activities. This should include target review and approval dates for the products.

Table 17.1 shows the responsibilities for this activity.

17.4.2 Update the Project Plan

The Project Board uses the Project Plan throughout the project to measure progress.

The Project Plan is updated to incorporate actual progress from the stage that is finishing, and to include forecast duration and costs from the Exception Plan or Stage Plan for the stage about to begin.

Details of any revised costs or end dates are used when updating the Business Case.

See Chapter 7 for more details on planning.

Figure 17.3 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Check that the current Stage Plan is up to date with actual progress and update if necessary
- Revise the Project Plan to reflect:
 - Actuals from the current Stage Plan
 - Forecasts from the next Stage Plan, or the impact of the Exception Plan

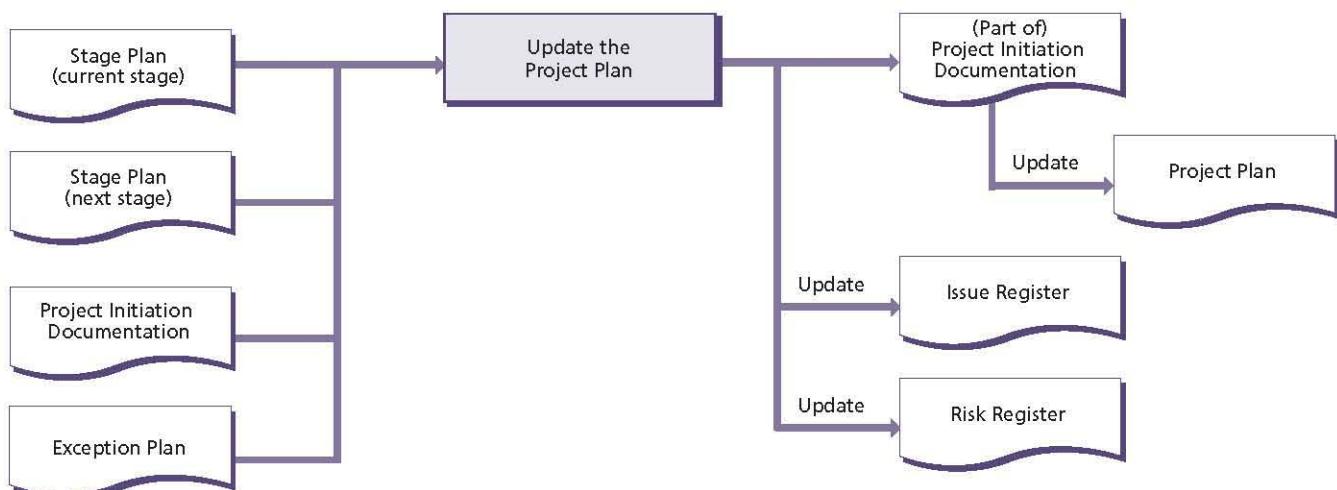


Figure 17.3 Update the Project Plan: activity summary

Table 17.2 Update the Project Plan: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Project Plan	Update		(A)	(A)	(A)	P		R		A16
Issue Register	Update					P		R		A12
Risk Register	Update					P		R		A25

- Any changes to the Project Product Description
- The implications of any issues or risks
- Any new or changed PRINCE2 process-tailoring requirements for the project
- Any changed or extra products sanctioned by the Project Board
- Any changes within the Project Initiation Documentation (e.g. revised project approach, strategies, project controls, project management team structure or role descriptions)
- Update the Issue Register and Risk Register if any new issues or risks have been identified (or if existing ones need to be modified).

Table 17.2 shows the responsibilities for this activity.

17.4.3 Update the Business Case

It is a PRINCE2 principle that projects have continued business justification.

The Project Board is ordinarily only authorized to continue while the project remains viable (that is, the benefits will be realized within the cost, time, quality, scope and risk parameters set out in the currently agreed Business Case).

Projects, however, do not take place in a static environment. The environment external to the project changes, as do the nature and timing of the project's products. The Business Case needs to reflect these changes and must be reviewed and amended to keep it relevant to the project.

As the Executive is responsible for the Business Case, the Project Manager should consult with the Executive when reviewing and updating the Business Case in preparation for Project Board approval.

For further details on business justification, see Chapter 4.

Figure 17.4 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Check whether there have been any changes to the risk appetite and risk capacity of the organizations involved and whether risk tolerances need to be redefined. Assess the project's risks using the Risk Register to ascertain the aggregated risk exposure for the project and identify the current key risks that affect the Business Case. This should include an assessment that the aggregated risk exposure remains within risk tolerances

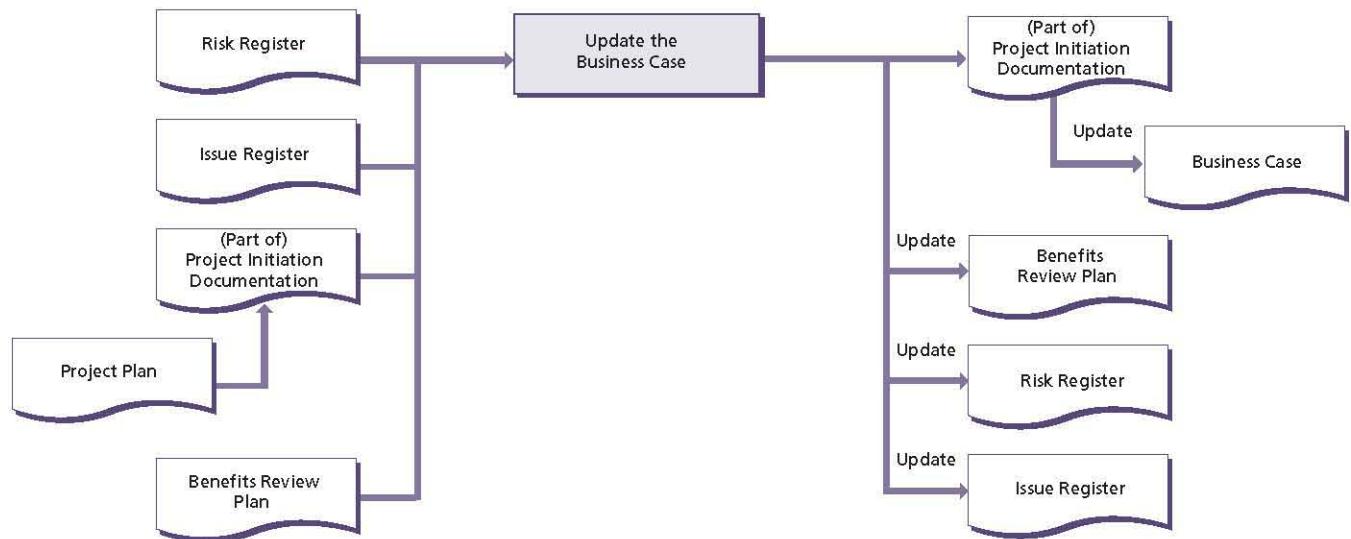


Figure 17.4 Update the Business Case: activity summary

- Update the Benefits Review Plan with the results from any benefits reviews undertaken during the stage
- Examine and review:
 - The Benefits Review Plan for the results of any benefits reviews undertaken during the stage compared with the expected results
 - The impact of approved changes as these may affect the projected benefits
 - The project risk profile and key risks
- The Issue Register for any issues that may affect the Business Case
- The Project Plan to see whether the final implementation date of the project has changed (for better or worse), which might affect some or all of the projected benefits
- The Project Plan to see whether the cost of delivering the project's products has changed, which may affect the cost/benefit analysis

Table 17.3 Update the Business Case: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
Product	Action	(R)	(A)	(A)	(A)	P	R		A2
Business Case	Update	(R)	(A)	(A)	(A)	P	R		A1
Benefits Review Plan	Update	(R)	(A)	(A)	(A)	P	R		A25
Risk Register	Update					P	R		A12
Issue Register	Update					P	R		

- The corporate or programme environment into which the project's products will be delivered, as it may have changed
- Whether any benefits reviews are required in the next management stage
- Revise the Business Case and, if necessary, the Benefits Review Plan, ready for Project Board approval
- Update the Risk Register and Issue Register as necessary.

Table 17.3 shows the responsibilities for this activity.

17.4.4 Report stage end

The results of a stage should be reported back to the Project Board so that progress is clearly visible to the project management team.

The Project Manager gives a view on the continuing ability of the project to meet the Project Plan and Business Case, and assesses the overall risk situation.

This activity should happen as close as possible to the actual end of a stage.

Figure 17.5 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- For an Exception Plan:
 - Depending on the point within the stage when the exception occurred, it may be appropriate to produce an End Stage Report for the activities to date. Whether this is required will be advised by the Project Board in response to the Exception Report. If an

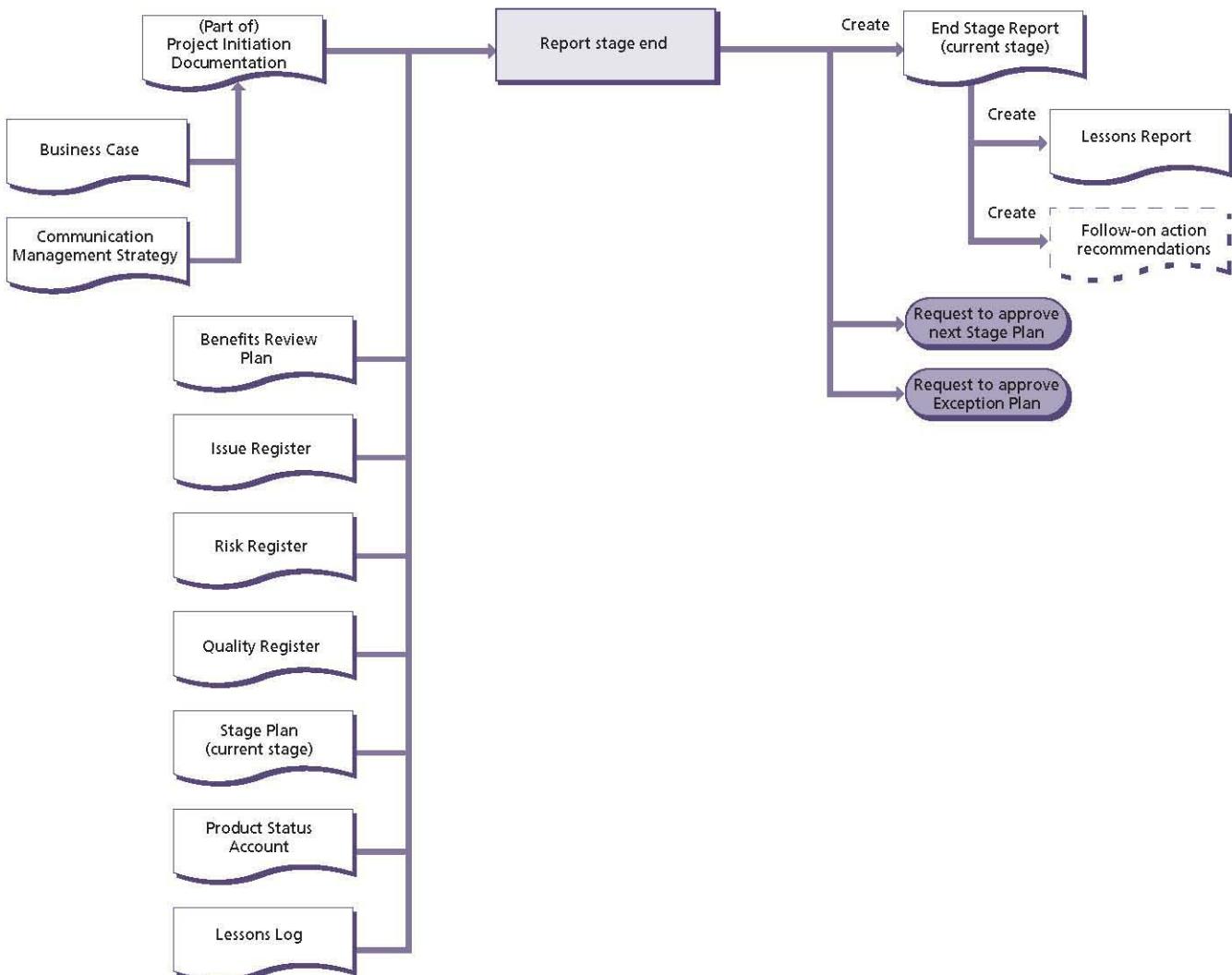


Figure 17.5 Report stage end: activity summary

End Stage Report is required, then follow the guidance for a Stage Plan below

■ For a Stage Plan:

- Review the status of the updated Business Case and, in particular, the achievement of any benefits anticipated for the stage. Confirm that any activities in the Benefits Review Plan for the current stage have been completed
- Review the Stage Plan to ensure that the objectives of the stage have been met, and the Project Plan to ensure that the project objectives are still achievable
- Review the team performance for the stage
- Review the product performance for the stage by reference to the Product Status Account (provided by Project Support):
 - Review the quality management activities for the stage and their results
 - Ensure that all the products identified within the Stage Plan for the current stage are complete and approved, or have been carried forward into the next stage
 - If a phased handover of products occurred during the stage, confirm user acceptance and operational and maintenance acceptance of the products transferred to customer ownership. Identify any follow-on action recommendations for the products handed over

- Review the issues and risks raised during the stage and any risk response actions taken. Include a summary of the current aggregated risk exposure
- Prepare an End Stage Report for the current stage
- It may be appropriate to create a Lessons Report at this time, particularly for longer projects, where interim reviews of lessons, or the project itself, may benefit corporate or programme management. Check the Lessons Log for appropriate lessons to report
- Seek approval from the Project Board of the Exception Plan or Stage Plan (and, if appropriate, the revised Project Plan, the revised Benefits Review Plan and the revised Business Case [see Chapter 13])
- Review the Communication Management Strategy to see whether there is a requirement to send copies of the End Stage Report (and, if appropriate, the Lessons Report) to external interested parties at this time.

Table 17.4 shows the responsibilities for this activity.

17.4.5 Produce an Exception Plan

If a stage or the project is forecast to deviate beyond its agreed tolerances, it no longer has the approval of the Project Board.

Table 17.4 Report stage end: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme	Executive	Senior User	Senior Supplier	Project Manager	Team Manager	Project Assurance	Project Support	Product Description available
End Stage Report	Create		(A)	(A)	(A)	P		R		A9
Lessons Report	Create		(A)	(A)	(A)	P		R		A15
Follow-on action recommendations	Create		(A)	(A)	(A)	P		R		

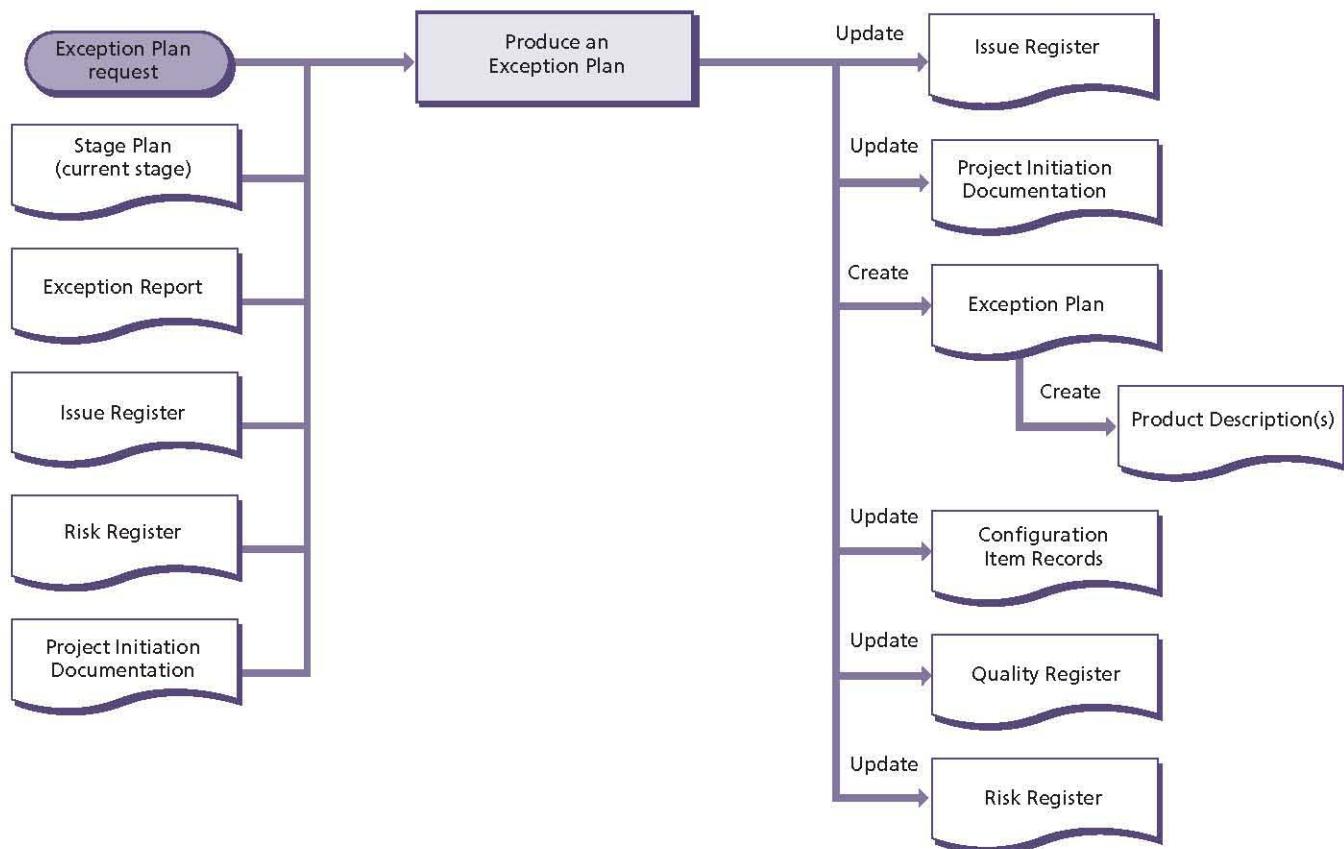


Figure 17.6 Produce an Exception Plan: activity summary

Exception Plans are requested by the Project Board in response to an Exception Report. Although an Exception Plan will be produced prior to the planned stage boundary, its approval by the Project Board marks a stage boundary for the revised stage.

Planning is not an activity undertaken in isolation. The Project Manager will need to consult with Project Board members, Project Assurance, Team Managers and possibly other stakeholders in order to create a viable plan. The more people involved in planning, the more robust the plan will be. See Chapter 7 for more details on planning.

Figure 17.6 shows the inputs to, and outputs from, this activity.

PRINCE2 recommends the following actions:

- Update the Issue Register (and, if necessary, the Issue Report) to record the Project Board's request for an Exception Plan
- Review and, if needed, update the Project Initiation Documentation. It may be necessary to consult with the Project Board regarding any required changes. The following should be reviewed:

- The customer's quality expectations – do they remain unchanged?
- The relevance and suitability of the project approach, the strategies and controls
- Any change in the project management team or their role descriptions (in particular the situation with regard to external resources or suppliers as these may affect the Exception Plan)

■ Produce the Exception Plan:

- Examine the Stage Plan to define the products required for the stage
- Examine the Exception Report for details (such as recommended actions) that will contribute to the Exception Plan
- If the Exception Plan requires new products to be created, then examine the Quality Management Strategy for the quality standards and procedures required
- Update the product breakdown structure, Product Descriptions and product flow diagram for the products to be delivered by the Exception Plan

Table 17.5 Produce an Exception Plan: responsibilities

Producer – responsible for product's production

Reviewer – ideally independent of production

Approver – confirms approval

Product	Action	Corporate/Programme				Project Manager			Team Manager			Project Assurance		Project Support		Product Description available
		Executive	Senior User	Senior Supplier												
Project Initiation Documentation	Update	(R)	(A)	(A)	(A)	P			R			A20				
Exception Plan	Create		(A)	(A)	(A)	P			R			A16				
Configuration Item Records	Create/update					R			R	R	P	A5				
Risk Register	Update					P			R			A25				
Issue Register	Update					P			R			A12				
Quality Register	Update					R	(R)	R	P			A23				

- Update the Quality Register for planned quality management activities
- Create (or update) Configuration Item Records for products to be produced by the Exception Plan
- Update the Issue Register and Risk Register if any new issues or risks have been identified (or if existing ones need to be modified)
- Update the Quality Register for planned quality management activities. This should include target review and approval dates for the products.

Table 17.5 shows the responsibilities for this activity.