PRINCE2
and
Project Leadership Framework
"You choose the Path!"

Timebox 11 of 12

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Unit Themes

Project Leadership Framework

Project Management Standards
- ISO 21500:2012 -

Phased Models (Waterfall)

Incremental & Iterative Models (Agile)

PRINCE2

Scrum ☑
DSDM ☑

Tutorials

PRINCE2 - Change Management (CM)

Change is inevitable in any project.

- uses an Issue and Change Management approach.
- the approach is defined in the Initiation stage and reviewed at the end of each stage.

- Issue - any relevant event that was not planned and requires some management action.
- 3 types of Issues;
    - Request for Change - proposal for change to a product
    - Off-Specification - agreed to but not supplied
    - Problem/Concern - issue PM to resolve or escalate

PRINCE2 - Change Management (CM)

PRINCE2 uses six (6) Management Products for CM:
1. Configuration Management Strategy -
      strategy on how issues and changes will be handled.
2. Configuration Items Records -
      set of data for each product used in the project.
3. Product Status Account -
      report on the status of each product.
4. Daily Log - Project Managers diary for informal information.
5. Issue Register - spreadsheet of all formal issues.
6. Issue Reports - describes an issue in detail.

PRINCE2 - Change Management(CM)

Issue and Change Control procedure;
1. Capture - Determine the type of issue formal, informal, type? (3 types).
2. Examine - Assess the impact of the issue on the project objectives.
3. Propose - Identify the options, evaluate and recommend actions.
4. Decide - (Change Authority) approves, rejects …
5. Implement - Put the approved solution in action.

Change Request includes;
   - description, priority, costs, options, and recommendations.

Project Board is the Change Authority and the outcomes;
   Approve / Reject / Defer decision / Request more information /
   Ask for exception plan.

Risk Management

Risk Management - identifying, analysing, and responding to risk factors throughout the life of a project.

Project risk - any possible event that can positively or negatively affect the viability of a project or the project's objectives. Risk exists the moment a project is conceived.

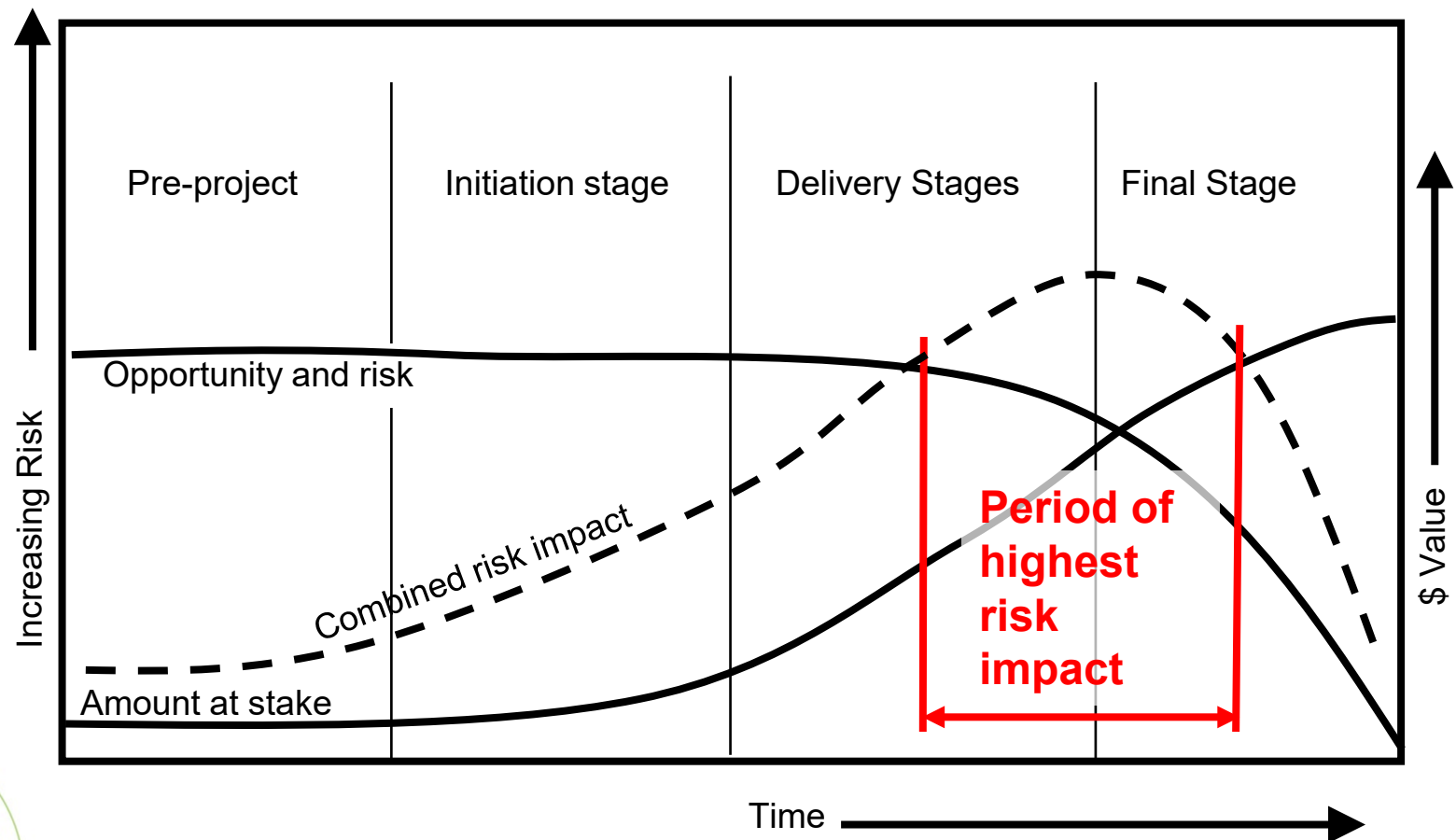Risk = (Probability of Event)×(Consequences of Event)

Probability: 0 (almost never) to 1 (almost surely), or 0% to 100%
Consequence: $ value

Risk Management

Risk vs. Stake (amount invested)

Risk Management

Objectives:
- increase the probability and impact of positive events.
    - e.g. Items cost less than quoted, performance exceeds expectation adding further value
- decrease the probability and impact of negative events.
    - e.g. Resource unavailable, skill shortage

Known risks - identified, analysed, possible to plan responses.
Unknown risks - cannot be managed proactively and therefore require the creation of contingency plans.

Risk tolerance - is the acceptable risks the stakeholders are willing to accept.

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Prince2 - Risk Management

PRINCE2 recommends that each project have its own Risk Management Strategy document.

Risk Management Strategy document;
- defines the procedures of how Risk will be identified, assessed, controlled and communicated
- is created and customised to suit the project in the Initiation stage by the Project Manager.

PRINCE2 - Risk Management

Risk Management procedure:

1. Identify (Event and Cause)

    Record all related details in the Risk Register

2. Assess (Probability impact; Proximity)

    Probability impact (to project objectives) - low, med, high

    Proximity (likelihood or how soon) - low, med, high

2. Plan the response

    Threat (Avoid; Reduce; Transfer; Fall back; Accept, Share)
    Opportunity (Exploit, Enhance, Reject Share)

4. Implement the response

    Risk Owner and Actionee

5. Communicate

    Reports: Checkpoint, Highlight, End stage

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Risk Management - Identify

Techniques to identify Risks;
- Brainstorming meetings
- Expert opinion
- Past history
- Multiple (or team based) assessments

Categories of Risk; (Q: Can you think of examples for each type?)
- Technology Risks
- People Risks
- Organisational Risks
- Requirements Risks
- Estimation Risks

Risk Management - Identify

PRINCE2 uses a Risk Register to record each Risk;

- Risk Identifier - This is just a unique number.
- Risk Author - Person who raised the Risk.
- Date Registered - Date the Risk was registered.
- Risk Category - Project has its own categories e.g. quality, network and supplier.
- Risk Description - Written is a specific way (e.g. cause, event and effect).
- Probability Impact - Choose value from an agreed scale (very low, low, normal, etc.).
- Proximity - How soon (when) the risk is likely to happen.
- Risk Response Category -
    - Threat - avoid, reduce, fall back, transfer, accept or share.
    - Opportunity - enhance, exploit, reject or share.
- Risk Response - Actions to resolve the Risk.
- Risk Status - Current status of the Risk: Active or Closed.
- Risk Owner - One person responsible for managing the Risk.
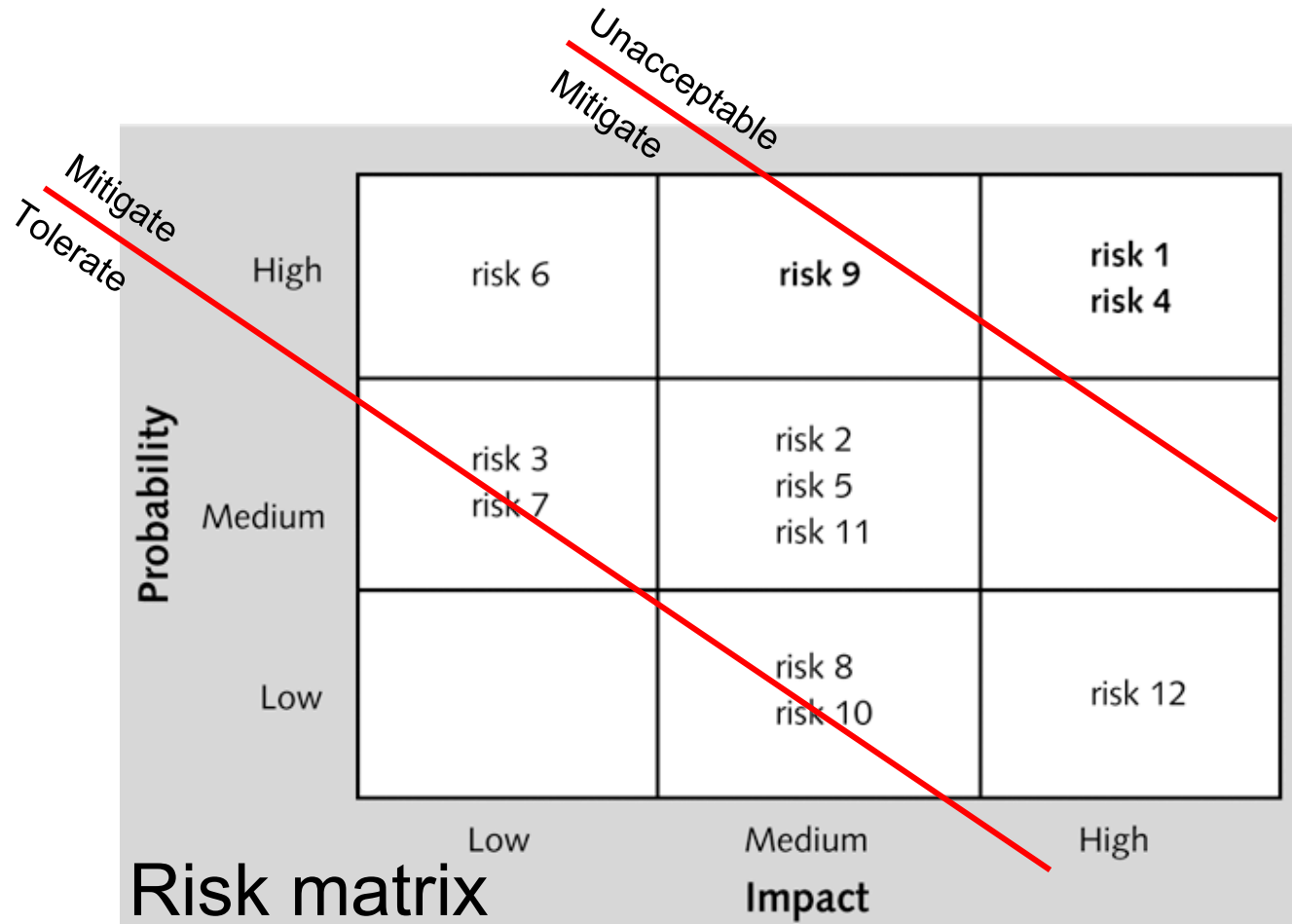- Risk Actionee - Person carry out the actions described in the response.

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Risk Management - Assess

Assess probability and impact ($) of each risk

Risks 1 and 4
Avoid

Risks 2, 3, 5, 6, 8, 9, 11, 12.
Reduce or Fallback

Risks 7 and 10
Accept

Risk matrix

Risk Management - Responses

Threat	Opportunity
Avoid	Exploit
Reduce (probability and/or impact) Fallback (reduces impact only) Transfer (reduces impact only, financial impact)	Enhance (probability and/or impact)
Share	
Accept	Reject

Risk Management - Responses

Risk Responses
- Do not necessarily remove all inherent risk.
- May generate residual risk or secondary risk.

Fallback (contingency) plans - predefined actions taken if an identified risk event occurs. Develop for risks that have a high impact, action if reducing risk is not effective.

Risk Budget (Optional)
- Part of project budget
- Pays for mitigating (risk reducing) actions

Project governance - a set of policies, regulations, functions, processes, and procedures and responsibilities that define the establishment, management and control of projects, programmes or portfolios.

At the strategic level, organisations typically need to establish the governance structures for the management of projects.

The project board (project steering committee) is responsible for ensuring that the project is properly managed.

PRINCE2 - Governance

Three (3) pillars of Project governance

- Structure - decision rights of all the committees involved.
- People - committee membership.
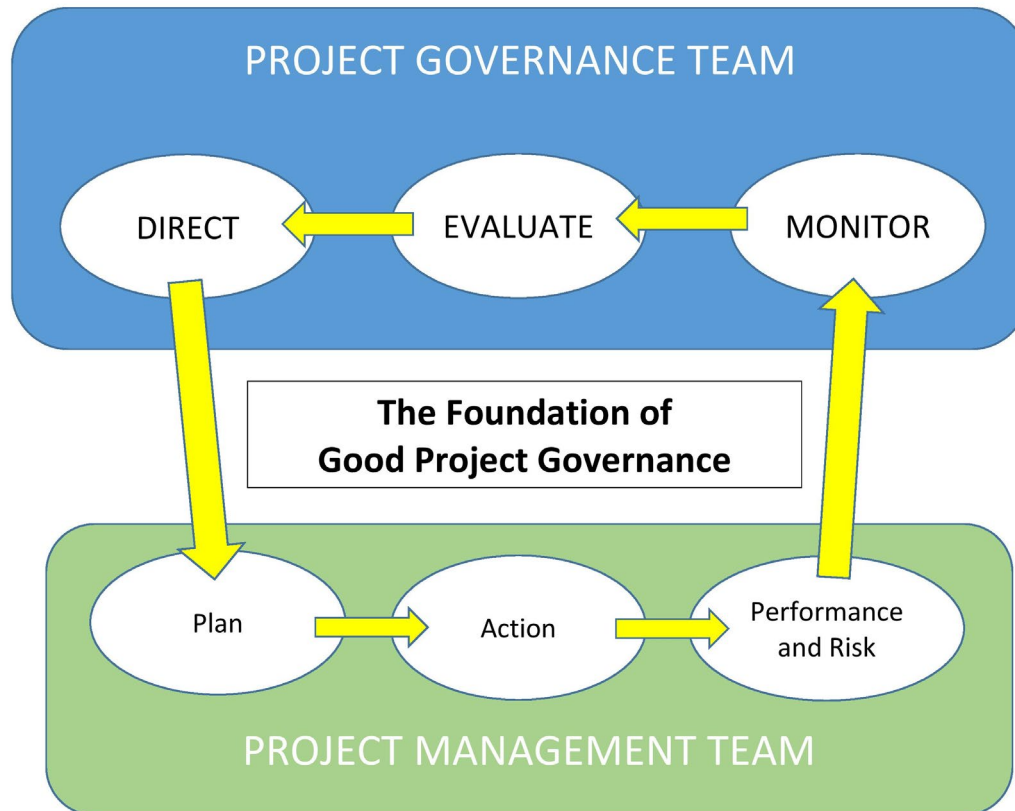- Information - informs decision makers, reports etc.

Four (4) Governance principles;

- Ensure a *single point of accountability* for the success of the project.
- Project ownership *independent* of Asset or Service ownership or other stakeholder group.
- Ensure *separation* of stakeholder management and project decision making activities.
- Ensure *separation* of project and organisational governance.

PRINCE2 - Governance

Project governance

Project assurance - provides an independent (external) view of how the project is progressing.

In PRINCE2, there are three views of assurance: business, user and specialist. Each view reflects the interests of the three project board members.

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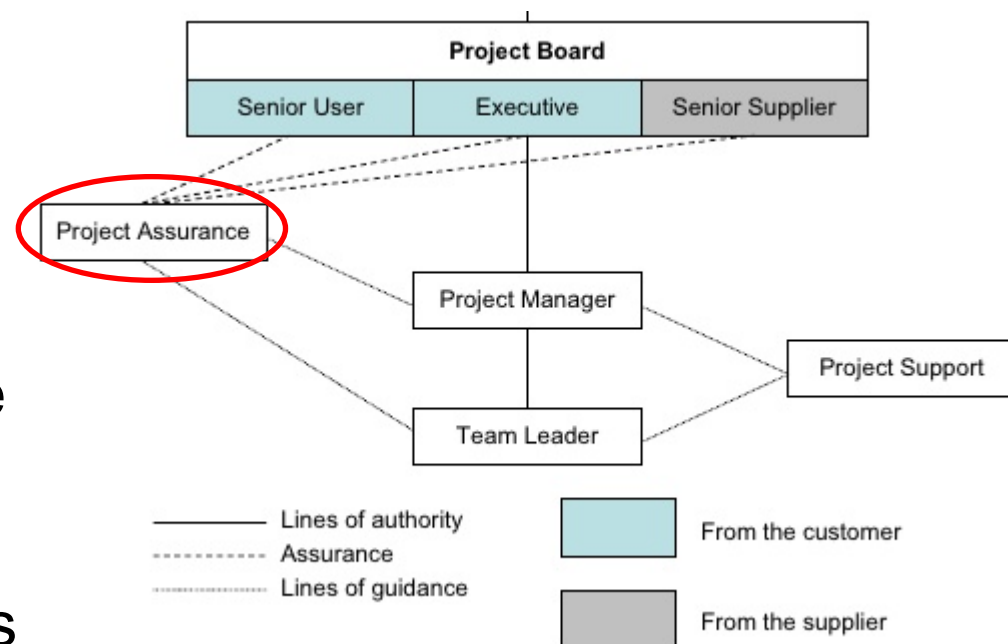
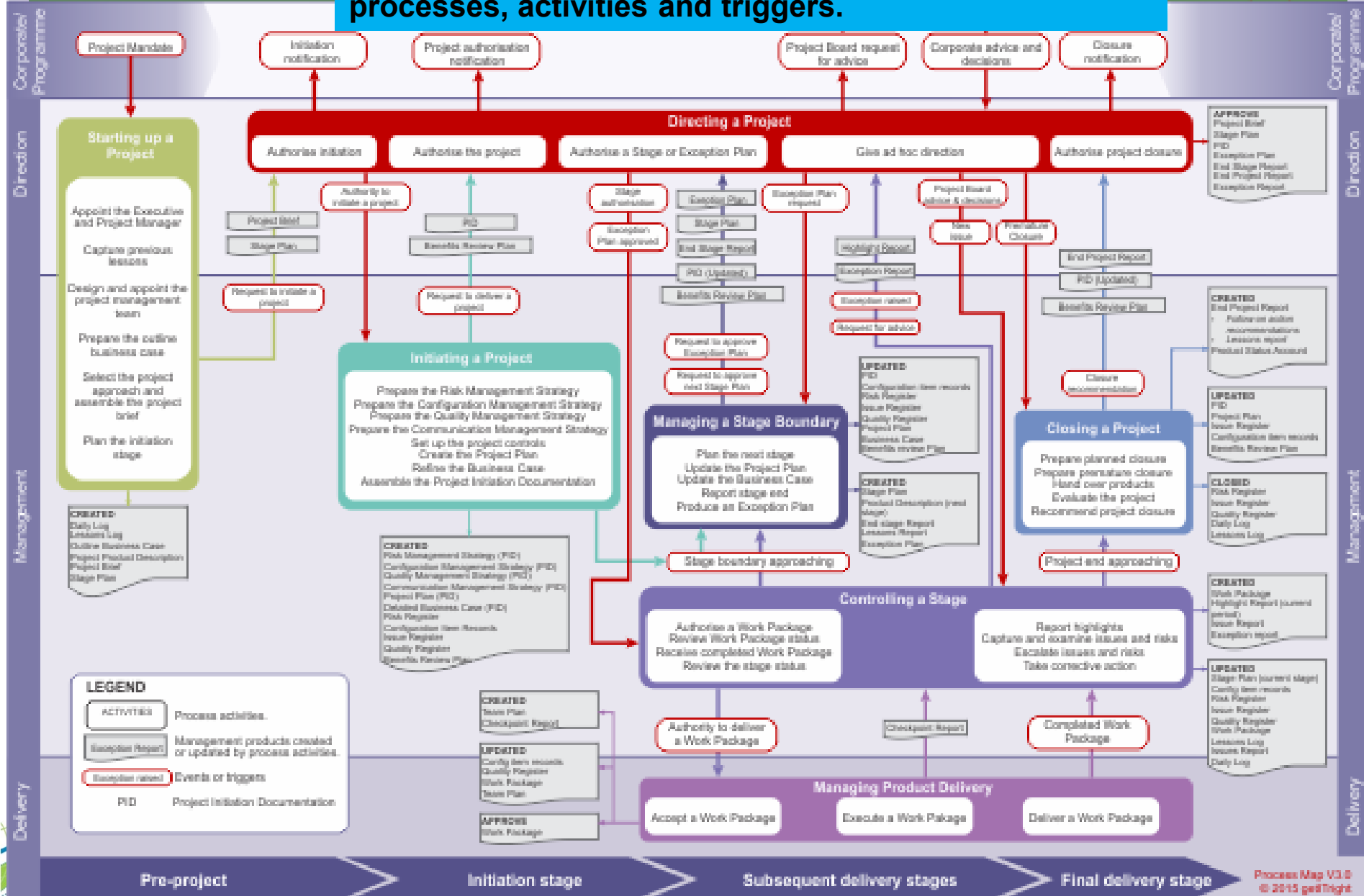The PRINCE2 Process Model presented on the next slide is a detailed diagram.

Do not panic ….

You are <u>not</u> required to memorise it!

The purpose of the diagram at this point is for you to see the sequence of stages, triggers, processes in delivering the products.

Integrating PRINCE2 and DSDM

Harnessing the strengths of each.

- PRINCE2 strong in the areas of project governance, project management and quality of the final deliverable to the appropriate standard.

- DSDM has fixed both time and cost in order to manage (or vary) scope. This leads to the ability to hit deadlines over the short, medium or long term, come what may.

Faster delivery of products!

Integrating PRINCE2 and DSDM

Predictive versus convergent.

- PRINCE2 is a method where a lot of 'upfront' work is performed. The choice is how much to <u>predict</u> in advance and how much to let emerge during the project.

- DSDM deliberately lets the low-level detail of a project come out later, in order to achieve a more accurate solution. However, DSDM establishes firm foundations from which to allow the project to <u>converge</u> on an accurate solution.

Governance, project management and product delivery

- PRINCE2 strength lie in its structures for project governance and project management. However, the method does not provide any structures or guidance at all for delivering products and sub-products.

- DSDM, by contrast, covers all three levels. DSDM has a wider scope and can be classed as a project management and delivery method. It is lighter at the project governance level.

Synergies

- Selecting the correct level of governance and ceremony. At project initiation there will be questions such as 'Do we run this as a full-on PRINCE2 project or do we use some of DSDM for this?'

This completes the topics related to PRINCE2.

PRINCE2 - References

The material presented in weeks 9 and 10 on PRINCE2 are from a number of sources including;

http://prince2.wiki/PRINCE2

https://prince2.co/managing-scope-creep-with-prince2/

https://www.axelos.com/best-practice-solutions/prince2/what-is-prince2

https://en.wikipedia.org/wiki/PRINCE2

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