Training Byte Size Ltd

PRINCE2® Foundation

Interactive Training Course

User Guide

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TRAININGBYTESIZE.COM
UK +44 (0)1270 626330
LEARNING@TRAININGBYTESIZE.COM
CHESHIRE | LONDON | SYDNEY | MICHIGAN
Registered in England No. 6320866 VAT No. 901277743

Training ByteSize Ltd
5a Nantwich Court
Hospital Street
Nantwich
CW5 5RH

support@trainingbytesize.com

Tel +44 (0)1270 626330
Fax +44 (0)844 669 7727

We have taken all necessary steps to ensure the information was correct at the time of publication.

Contents – PRINCE2® Foundation

Session 1: Introduction

Introduction

Welcome to the PRINCE2® Foundation Course.

This course has been designed to give you a working knowledge of the PRINCE2® method. It is based on the syllabus for the Foundation examination.

By the end of the course you should be able to:

- Describe the principles, themes, and processes
- Take part and contribute to a project being run under PRINCE2®
- Take the Foundation examination with every expectation of success

Each session lasts around 30 minutes and there are 14 sessions but if we add study time, note taking and exam practice, the expected time to spend studying for your examination is between 15-20 hours.

Introduction to PRINCE2®

PRINCE2® stands for 'Projects in Controlled Environments'. It evolved from an IT methodology called PROMPT and was launched as PRINCE in 1989 as a method used in IT projects.

In 1996, it was re-launched as PRINCE2® as a method suitable for use on projects of any size in any environment.

Since then it has been updated regularly to reflect continuing practice as forms part of the Best Management Practice suite of products owned by Axelos.

It is widely used in both the public and private sector in both the UK and overseas.

PRINCE2® is based on seven principles, seven themes and seven processes which will be discussed in the Overview session before dealing with each theme and process throughout the course.

Product Purposes

Within the PRINCE2® manual we refer to several management products. The manual describes their purpose and recommended composition and they are broken down into Baseline Products, Records, and Reports.

Baseline Products are kept under version control as they are likely to be updated throughout the project, for example the business case plan risk management approach etc.

The Records refer to the logs, register and configuration item records.

Reports deals with all the reports PRINCE2® suggests.

Part of the Foundation syllabus requires you to be familiar with the purposes of each management product. You don't need to remember them by heart, but you should understand what they are used for.

Summary

Finally, the course can be attempted in any order, but we suggest that you follow it in session order.

It is also expected that you have a PRINCE2® manual available so you can do some more reading, but this can be shared between you and your colleagues for example.

Each session contains sample Foundation questions and exercises, but we have also included sample papers in the course PDF file.

The questions are not from the live examinations but do reflect the type of questions asked.

Good luck with your studies.

Session 2: Overview and Principles

Introduction

We shall be putting PRINCE2® into context by discussing what makes a project different from business as usual and the six aspects of it that require management.

Then we will move on to discuss the four integrated elements of Processes, Themes, Principles, Tailoring and how these are applied across the project life cycle.

We will conclude with a review of the seven principles that should be applied in a PRINCE2® project.

By the end of this session you should be able to:

- List the six aspects of performance to be managed
- Define a project
- Describe the four integrated elements
- Explain the benefits of using PRINCE2® and finally
- Describe the seven principles that form the basis of the method.

What is a Project?

What is it that makes projects different to the work we do in our businesses, or business as usual which we often call BAU? Let's consider six of the examples from the manual.

Projects bring about change, and usually this is a significant change to the BAU which otherwise tends to evolve more slowly.

Projects have a beginning, middle and end so they are temporary in nature and they also tend to use skills from a wider area of the business which we call 'cross functional'.

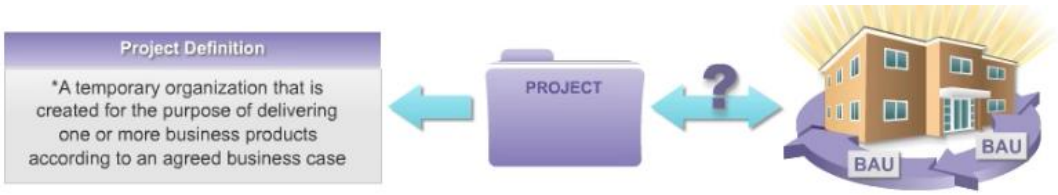
Work in a BAU environment tends to be repetitive whereas a project is unique and of course because it's unique and often challenging it carries much more risk than the normal BAU environment.

A project has six major variables which require managing.

We are tasked with delivering the products or scope of work to the required quality standard within the constraints of cost and time while keeping the risks to an acceptable level. We do this to enable the BAU environment to realise benefits.

Before we continue let's summarise by stating the PRINCE2® definition of a project which is:

> A temporary organization that is created for the purpose of delivering one or more business products according to an agreed business case.



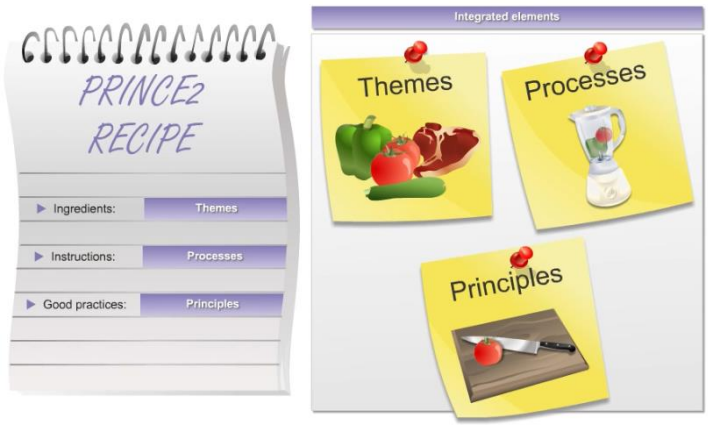
Integrated Elements

PRINCE2® is like a recipe for a meal. It has a set of ingredients which we call Themes, a set of Instructions that tells us how to mix up the ingredients which we call Processes.

The instructions and ingredients for our recipe are based on a set of good practices which we must observe throughout the preparation and cooking process which we call principles.

Finally, we need to remember that when we use a recipe we must adjust the volumes to suit the number of people and in PRINCE2® we call this tailoring.

The Themes, Processes, Principles and Tailoring to suit the project environment are known as the four integrated elements and often form the basis of foundation questions along the lines of 'which is the missing element?', 'which is not an integrated element?' and so on.

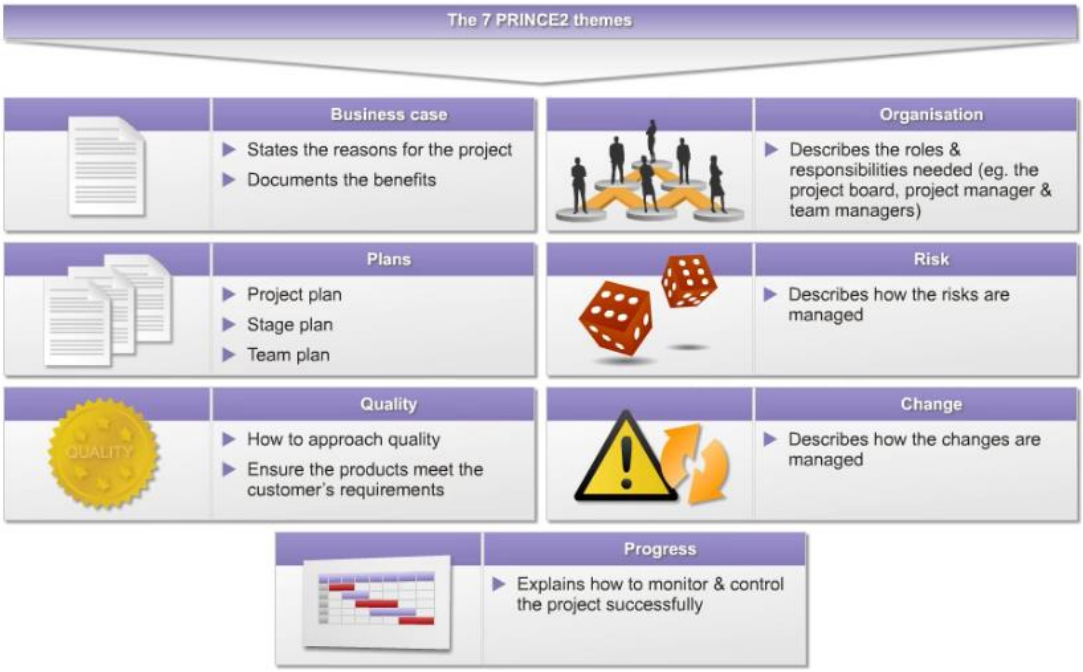


Let's move on now to discuss these in a little more detail.

Themes

The seven themes start with the business case.

- The Business case states the reasons for the project and documents the benefits. The value of the benefits must outweigh the costs and risks associated with the project.
- Organization describes the roles and responsibilities that are needed in any project. This includes the decision makers called the project board, the project manager and the team managers who manage the people building the project's products.
- The Plans theme is so that we know what we must do and when it must be done and, so we can monitor and control progress. There are three levels of plan, the project plan used by the project board, the stage plan used by the project manager and the team plan used by the team manager.
- These three themes are supported by the Risk theme which describes how we should manage the risks in the project. The quality theme which tells us how we should approach quality and makes sure the products we build meet the customer's requirements.
- The Change theme help us manage the inevitable changes
- The Progress theme explains how we should monitor and control the project, if we are to be successful.



Processes

The first process used is starting up a project or SU. This is triggered by the project mandate which comes from the corporate or programme body.

The mandate could be a simple request or the output from a feasibility study. In either case the purpose of SU is to have a quick look at the project and decide if it's worthwhile progressing.

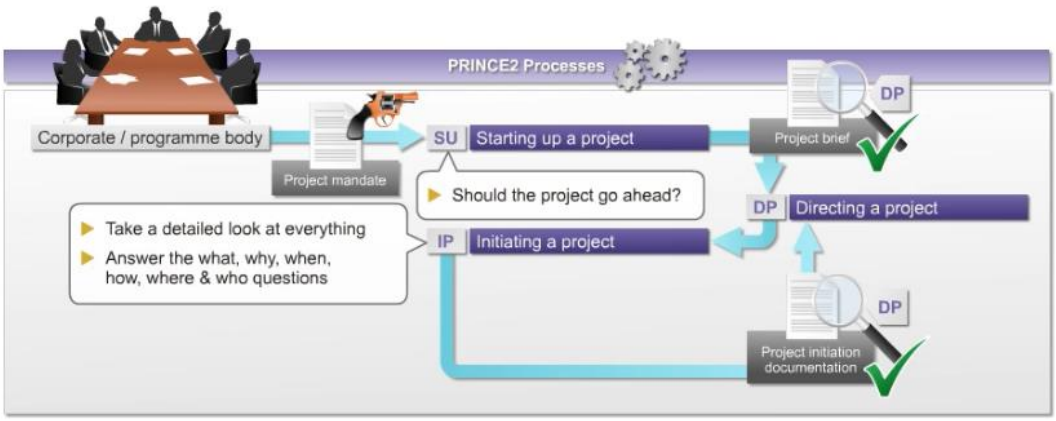
The output of SU is the project brief which is reviewed by the project board using the directing a project, or DP process.

The project board has exclusive use of DP and uses it to make decisions about the project's future.

Assuming the board approve the project brief the project progresses into initiating the project or IP.

In IP we take everything we did in SU and take a detailed look at it and expand all the elements to answer the what, when, how, where and who questions. This output of IP is the project initiation documentation or PID which is a collection of all the key documents required to manage the project.

This is reviewed by the project board in DP and assuming they are happy we move into the first delivery stage of the project.



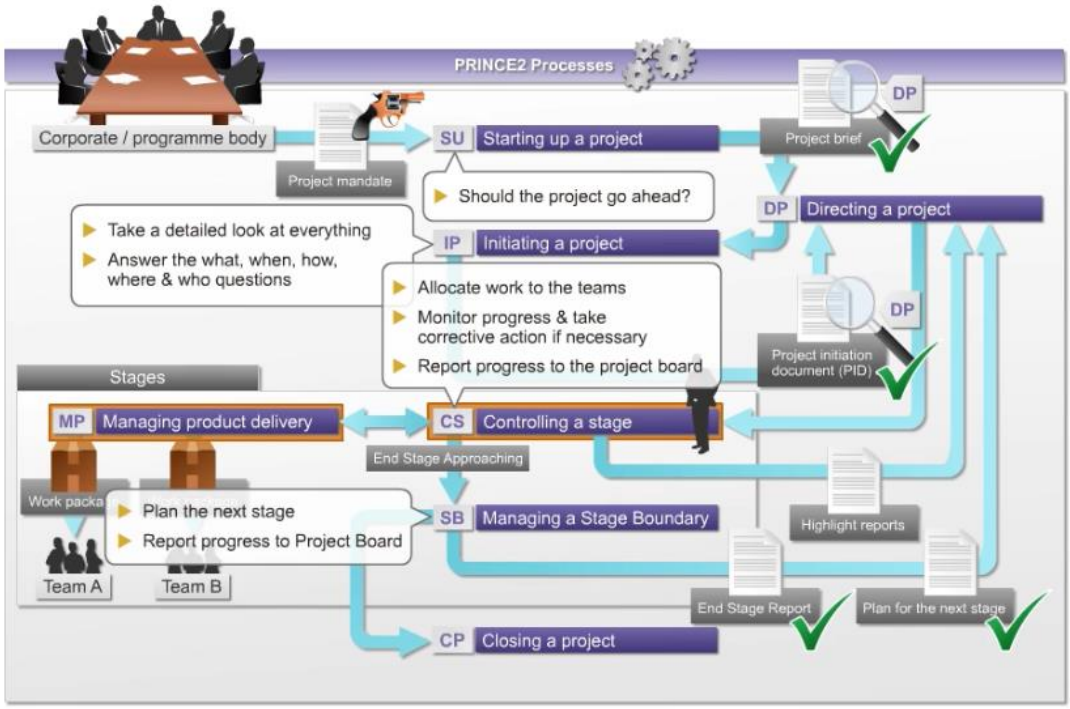
Now that we've got approval to start the work in the stage the project manager uses the controlling a stage process, or CS, to allocate work in the form of work packages to the teams, monitor progress, take corrective action if necessary and report progress to the project board via highlight reports.

CS also includes capturing and dealing with any problems or change requests which we call issues in PRINCE2®.
The teams use the managing product delivery process to accept the work from the project manager, do it and hand it back when it's completed.

The final process used in the stage is managing a stage boundary or SB.

At some point the project manager will realize that the end of the stage is approaching and will need to plan the next stage and report progress to date to the project board. This is done in SB.

Once the project board approve the end stage report and the plan for the next stage we repeat the CS, MP, SB cycle until we get to the final stage which uses CS and MP but this time as the end of the stage approaches we use the closing a project process, which we call CP, to bring the project to a close, hand over the products, review the way we managed the project and recommend closure to the project board, who authorize closure assuming all is completed.



Principles

There are seven principles which are observed in all PRINCE2 projects.

To start with we have “continued business justification”. In other words, there must be a valid business case to start with and it must remain valid throughout the project, or the project should be stopped.

In any project, we should try to avoid reinventing the wheel and we should learn from experience, emphasising good practice and avoiding bad.
In any project, we need to know who’s doing what and this is reflected in the principle “defined roles and responsibilities”.

Well run projects are based on doing some work, reviewing progress, and then deciding whether to proceed or not. In other words, do a bit, review, do a bit review and finally do a bit and finish it off.

We call these stages and they are usually less than three months long and this is reflected in the principle “manage by stages”.

In a well-run PRINCE2® project there is no need for the project board to meet on a regular basis. They should meet at the end of each stage to give authority to proceed.
At these points they set tolerance for the next stage.

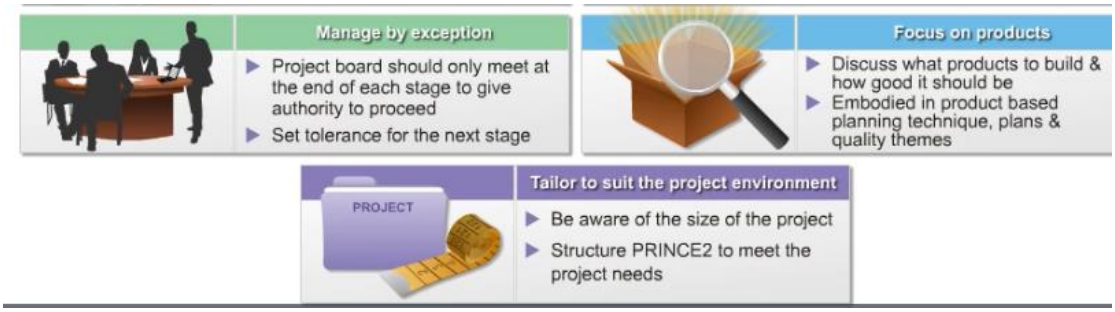
Tolerance is the permissible deviation from the plan that is allowed before it needs to be escalated to the next higher authority.

We call this overall approach “management by exception”.

The sixth principle is “focus on products”. In other words, we should be discussing what we want to build and how good it must be rather than the work involved with doing it. That can be discussed later. This principle is embodied in the product based planning technique and the plans and quality themes.

Finally, we need to be aware of the size of the project. Simple projects will require a lighter touch and there is more room for informal reporting and fewer stages and reports. However, at the other extreme complex projects require more discipline and rigour.

Structuring PRINCE2® to meet these varying needs is called tailoring and this supports the principle “tailor to suit the project”.



Tailoring

The purpose of tailoring to use PRINCE2® appropriately which ensures there is the right level of governance, planning and control in accordance with the PRINCE2® principles.

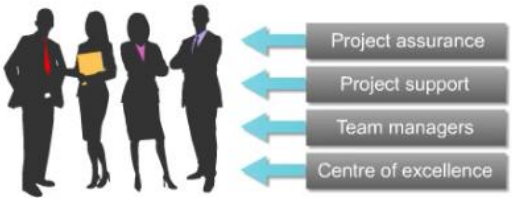
Tailoring can be applied to processes, themes, roles, management products and terminology.

Specifically, these aspects may be tailored:

- Processes may be combined or adapted
- Themes can be applied using techniques appropriate to the project
- Roles may be combined or split, provided that accountability is maintained and there aren't any conflicts of interest
- Management products may be combined or split into any number of elements and
- Terminology may be changed to suit other standards or policies.

The project manager is responsible for identifying the level of tailoring for the project and will document this within the controls section of the PID and be approved by the project board.

The project manager and project board may take advice and suggestions from other members of the project management team such as project assurance, project support or team managers. A centre of excellence may also offer advice if one exists.



Summary

That brings us the end of this session. We have looked at the characteristics of a project compared to BAU, the six aspects that require management, the themes, processes and principles and the need to tailor PRINCE2® to suit your needs.

Take a few moments to review the benefits of using PRINCE2® in your PRINCE2® manual.

You should now be able to:

- List the six aspects of performance to be managed
- Define a project
- Describe the four integrated elements
- Explain the benefits of using PRINCE2® and finally
- Describe the seven principles that form the basis of the method.

That concludes this session.

Session 3: Organization

Introduction

Welcome to this session on PRINCE2®'s approach to organization. The purpose of this theme is to define and establish the project's structure of accountability and responsibilities.

PRINCE2® assumes that we have a customer and one or more suppliers and calls this the customer, supplier environment and the method is written from the customer's viewpoint.

The customer view includes the business and user perspectives whilst the supplier view reflects the supplier's perspective and between them they represent the primary stakeholders in the project.

The business in concerned with value for money and realization of benefits, whilst the user's perspective is focussed on quality and functionality.

A user is a person or group that will be using the project's outputs to create outcomes and benefits or will maintain the finished products.

A supplier is a person or group, inside, or outside, the organization that supplies skills or products to the project.

During this session, we shall consider the roles and responsibilities of all aspects of the project team and when you have completed the session you will be able to:

- List the PRINCE2® team roles
- Describe the responsibilities of each team role.

Four Levels of Management

The guidance suggests four levels of management. The top level relates to the corporate or programme management, or the customer. This is the group that provides the project mandate, appoints the executive, and sets the project's overall tolerances.

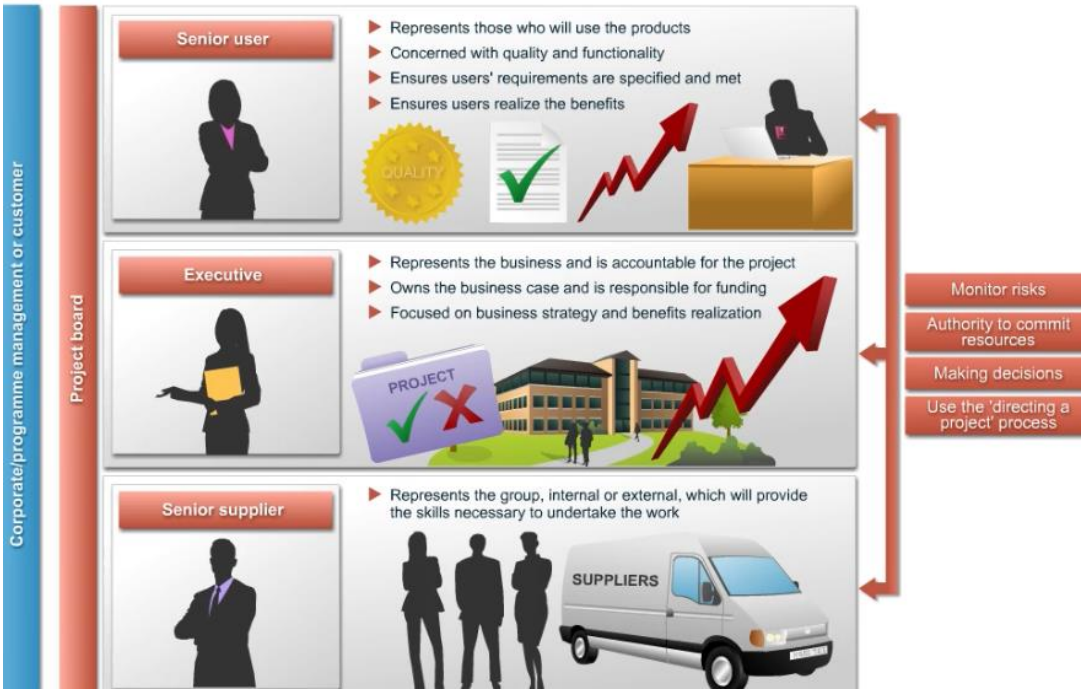
The lower three levels reflect the structure of the project management team with the project board responsible for making decisions and providing strategic direction for the project, at the highest level known as 'directing'.

The project manager is responsible for managing the project on a day to day basis on behalf of the project board ensuring that the project produces the required products within the time, cost, scope, quality, risk, and benefit performance goals. This is the middle level known as 'managing'.

Finally, the team manager is responsible for executing work packages and building and delivering products, at the lowest level known as 'delivering'.
These three levels make up the project management team and it is important to remember that a team is mutually supportive and accountable to each other.

The project management team structure reflects these levels and we'll move on now to consider this in more detail.

Project Management Team Structure – project board



The three stakeholder interests of business, user and supplier are represented by senior managers on the project board. The board reports to the corporate or programme management, or the customer and consists of three roles which are executive, senior user and senior supplier.

The executive represents the business as is ultimately accountable for the success, or failure, of the project.

She, or he, owns the project's business case and is responsible for funding the project.

The executive is focussed on business strategy and the realization of benefits.

The senior user role represents those who will be using the products of the project.

Users are concerned with the quality and functionality and it is a key responsibility of the senior user to make sure the users' needs are specified, that the products the suppliers provide meet

those requirements and when the project is completed the senior user is responsible for making sure the Users realize the benefits.

The senior supplier represents the group, internal or external to the organization, which will provide the skills necessary to undertake the work.

All board members must monitor the risks within their own areas and as senior managers they must all have the authority to commit resources required on the project, be they people or money, and crucially they are responsible for making decisions.

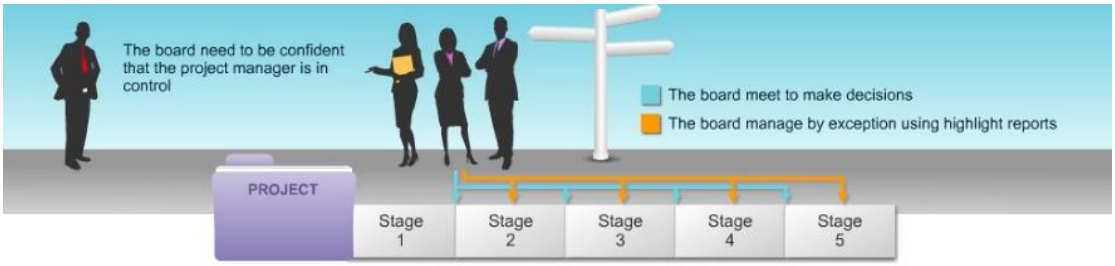
The project board uses the 'directing a project' process exclusively to make decisions and provide advice and guidance to the rest of the team.

Project Management Team Structure – project assurance

As we've seen the project board is responsible for making decisions and giving strategic direction.

The board meet at the end of each stage to make decisions but in between these management stage boundaries they manage by exception and rely on highlight reports from the project manager to keep them appraised of progress.

However, they do need to be confident that the project manager is actually in control of what is happening; they need to be sure that problems aren't being hidden from them and most importantly they need to be confident that the right people are involved.



These responsibilities come under the heading of project assurance. Each board role has a defined set of assurance responsibilities.

The executive is focused on business risk and finance, the senior user is concerned with the quality of the products meeting user expectation, making sure the right people are involved in testing from the users' perspective.

And the senior supplier must make sure that the supplier organization is following its own quality standards, that the product descriptions are correct and that the appropriate quality checks are made.

Ideally each board member would do their own assurance, however, if they are busy with their day jobs they may delegate these assurance responsibilities to other people. These people keep the board members appraised of progress and give them confidence that all is going to plan.

Finally, it is important to remember that project assurance responsibilities cannot be delegated to the project manager, project support or the team managers.

Project Management Team Structure – project manager

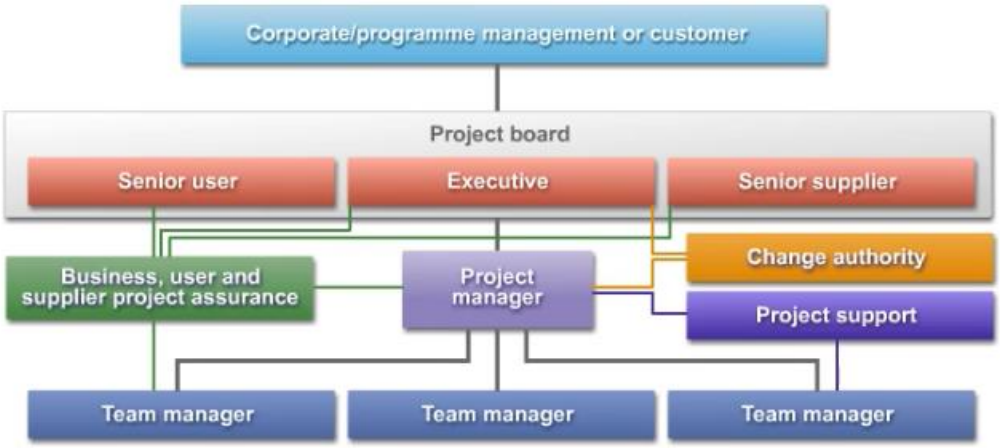
The project manager is one of the key players in the team.

He, or she, reports to the project board and is responsible for the day to day management of the project.

Typically, the project manager will work with the rest of the team to:

- Plan the project and each stage within it
- Allocate work packages to team managers
- Monitor progress via checkpoint reports
- Take corrective action if necessary
- Report progress to the project board using the highlight report
- And prepare the benefits management approach.

Project Management Team – team managers, project support & change authority



The next level in the project team is concerned with delivering the products and this is the responsibility of the team manager. On smaller projects, the need for a separate person in this role is optional and the project manager will take the role.

A team manager takes direction from, and agrees work packages with the project manager, plans the work at team level and reports progress via a checkpoint report to the project manager.

The frequency of checkpoint reporting is defined in the work package.

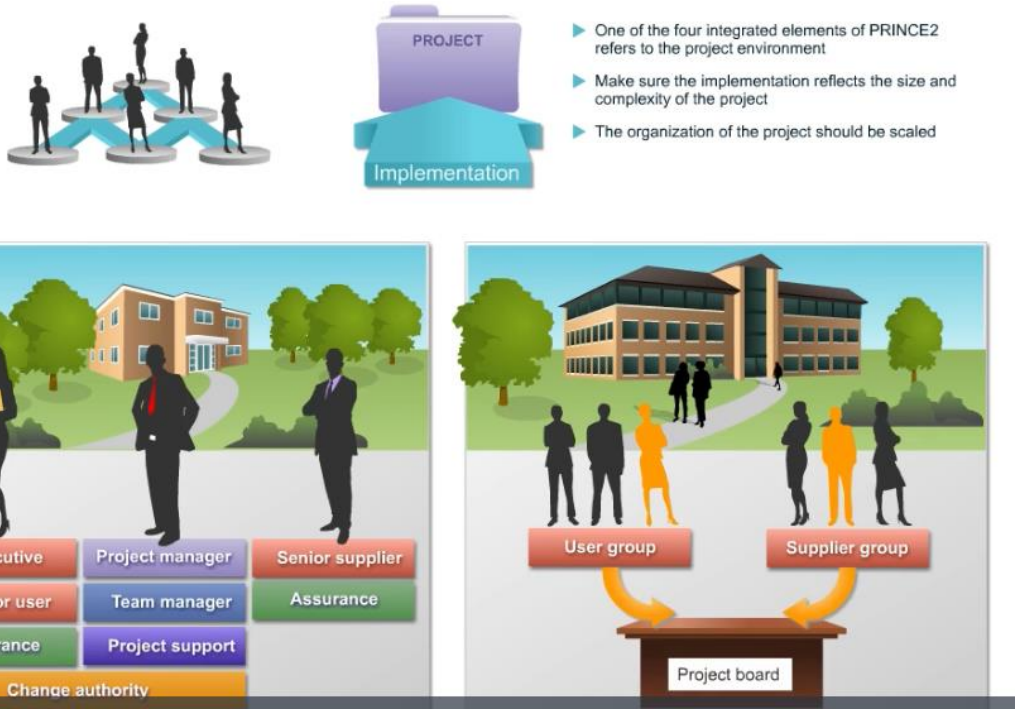
In all projects, there is a degree of administration, managing the registers and logs, collating information, updating the schedule and so forth.

These tasks are known as support and this is another role where the use of a separate person is optional. Again, if a specific person isn't nominated for this role then the project manager will undertake the work.

Anyone who provides support functions to the project such as procurement, financial help comes under the heading of project support and this often includes configuration management.
The final role to consider is that of the change authority which is the person or group who decide whether change requests are implemented.

By default, this is the responsibility of the project board, but they often delegate consideration of some changes to the project manager. In some organizations, there may be a separate change control board.

Scalability



One of the four integrated elements of PRINCE2® refers to the project environment, in other words making sure that our implementation of the method reflects the size and complexity of the project.

This is key to successful implementation and the organization of the project is an area where we must consider scaling. It is important to remember that we are discussing roles and responsibilities not job titles.

On smaller projects, it would be normal for the project board to consist of one person taking the roles of the executive and senior user whilst another person takes the role of senior supplier. We would expect the project board in this case to do their own assurance as well.

The project manager, team manager and support roles could be done by one person supported by a team of individuals doing the work.

The project board and the project manager could share the role of the change authority, so we would have a team of three plus the team members doing the work.

Conversely on a larger project with many candidates for a senior user and senior supplier we may establish user and supplier groups who would nominate one or two individuals to take the project board roles.

Stakeholders

Let's take a few moments to consider stakeholders.

We have already discussed the primary stakeholder interests of business, user, and supplier but there may be many other interests that require consideration.

A stakeholder is defined as an individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative such as a programme, project, activity, or risk.

Stakeholders are identified and analysed during start-up and initiation and engaged throughout the project.

The Communications Management Strategy defines the means and frequency of communications with people both internal and external to the project.

One way of engaging with stakeholders is by regular two-way communication and this process is defined in the strategy.

There are many techniques available to help to identify and analyse stakeholders which are outside the foundation examination syllabus, so we will not consider them here.

Minimum Requirements

Finally, before we conclude this session let's take a moment to review PRINCE2®'s minimum requirements for organization.

To be following PRINCE2® the project must, as a minimum:

- Define the organization structure and roles
- Document the rules for delegating the change authority and
- Define its approach to engaging and communicating with stakeholders.

Two products are required, and these are the project initiation documentation or PID, and the communications management approach. Both are created during the initiation stage.

Summary

This brings us to the end of this session on organization.

The project management team structure represents the three main interests of business, user, and supplier at a senior level on the project board.

The project manager reports to, and takes direction, from the project board and is supported by team managers who execute work packages and both areas rely on a project support function.

We must always consider the wider stakeholder interests and make sure we engage with them in an appropriate manner and this is described in the communications management strategy and finally we must make sure that we scale the team structure to suit the needs of the project.

You should now be able to:

- List the PRINCE2 team roles
- Describe the responsibilities of each team role.

Session 4: Business Case

Introduction

Welcome to this session on PRINCE2®'s approach to the business case. The purpose of this theme is to establish mechanisms to judge whether the project is, and remains, desirable, viable and achievable as a means to support decision making in its initial and continued investment.

The words desirable, viable and achievable have a special meaning in this context.

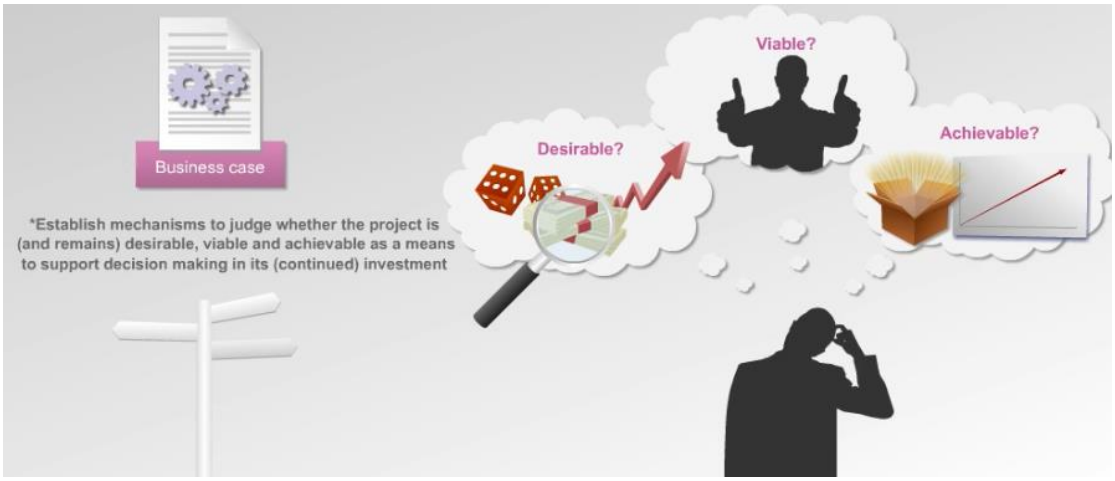
Desirable is concerned with examining the cost benefit balance taking into account the risks. The benefits should outweigh the costs and risks.

A project is viable if we are satisfied that we can actually deliver the products.

And finally, achievable means that we are satisfied that the products will actually enable us to achieve the benefits.

During this session, we will examine all aspects of the business case and the benefits review plan and by the end of the session you should be able to:

- Explain the ownership of the business case
- State the difference between outputs, outcomes, and benefits
- Describe the contents of the business case
- Explain the development path for the business case
- And finally describe the purpose of the benefits management approach.



Business Justification and the Development Path

The business case is prepared in outline during the 'starting up a project' process and included within the project brief. This provides the project board with confidence that there is a sound reason and sensible business option to at least proceed into the initiation stage.

During the 'initiating a project' process the business case is refined and expanded with the information from the project plan and this detailed business case forms part of the project initiation documentation, which is approved by the project board.

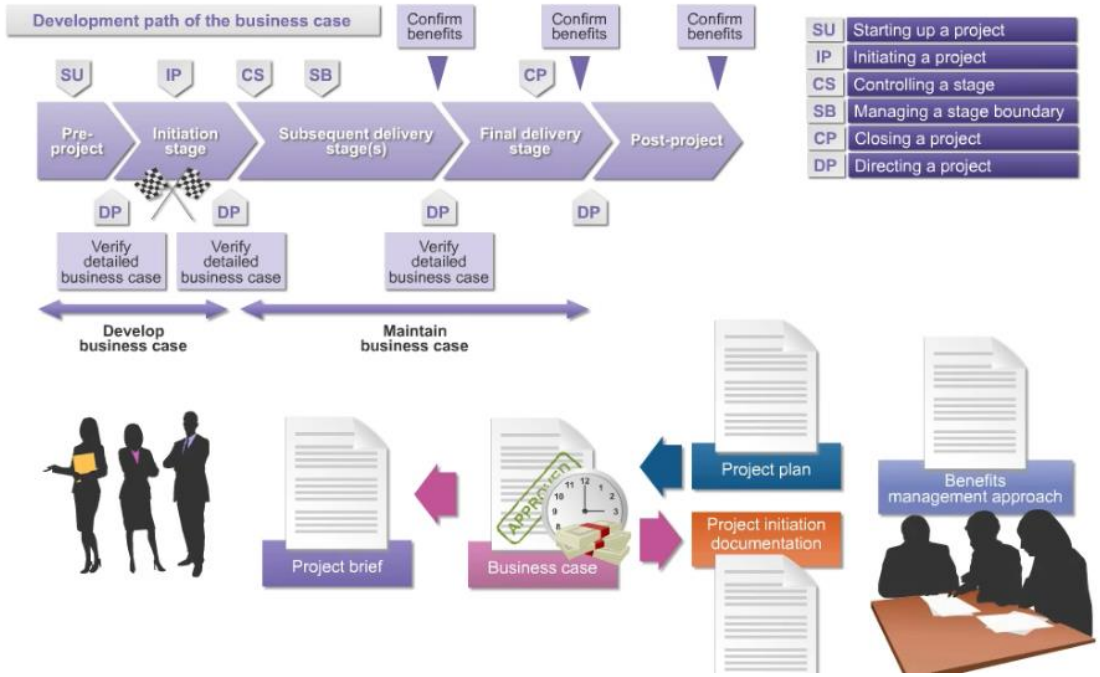
At this point the business case justifies the start of the project.

At the end of each stage the business case is updated with the latest information, particularly relating to cost and time, and it is checked for its continuing viability and re-approved by the project board at the end stage assessment.

Post project the benefits within the business case are reviewed in accordance with the benefits management approach to confirm their realization, or not, as the case may be.

We also review the business case regularly throughout the stage and especially if there any changes which affect it.

This is summarised by saying “the project should not start without a valid business case, and if the business case becomes invalid the project should be stopped”.



Outputs, Outcomes and Benefits

Output	Any of the project's specialist products
Outcome	The result of the change derived from using the project's outputs
Benefit	The measurable improvement from an outcome

It is very important to differentiate between outputs, outcomes, and benefits.

An output is the product or deliverable of the project.

The business uses the output to generate outcomes which are changes in the way the organization operates.

Because the organization is operating in a different manner benefits accrue.

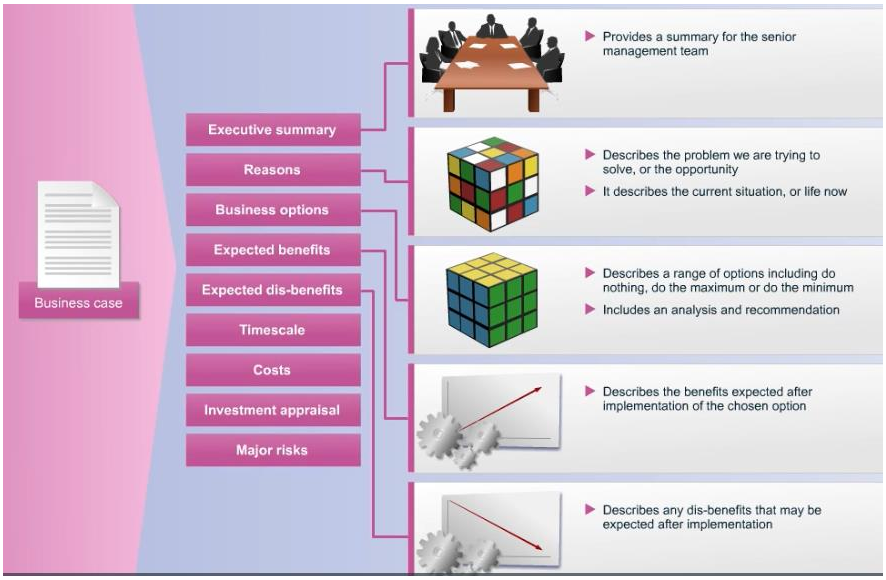
Consider a company that makes chocolate bars that is suffering from falling sales. After some thought the company decides to develop and market a new chocolate bar.

The outputs of the project are a new chocolate bar, a marketing campaign, and a sales process.

When these are delivered to the business at the end of the project the marketing and sales team start the campaign and the sales effort. The team is working in a different way with the new products and this is the outcome.

And finally, because of the outcome sales increase and the company achieves its targets of increased sales and profitability which are the benefits.

Business Case Contents



Let's move on now and take a look at the contents of the business case. Firstly, we have the executive summary which provides a summary for the senior management team.

The reasons section of the business case describes the problem we are trying to solve, or the opportunity. It describes the current situation or life now.

In order to resolve the problem we face, or grasp the opportunity we should consider a range of options including do nothing, do the maximum, and do the minimum. These are described under business options and will include an analysis of each option and a recommendation.

As a result of implementing the chosen option we would expect benefits to be realised. We think of these as good things that happen because of what we are doing on the project but sometimes the project may also have a downside and we discuss these under the heading dis-benefits, in other words bad things that happen because of the project.

Business Case Contents and the Benefits Management Approach

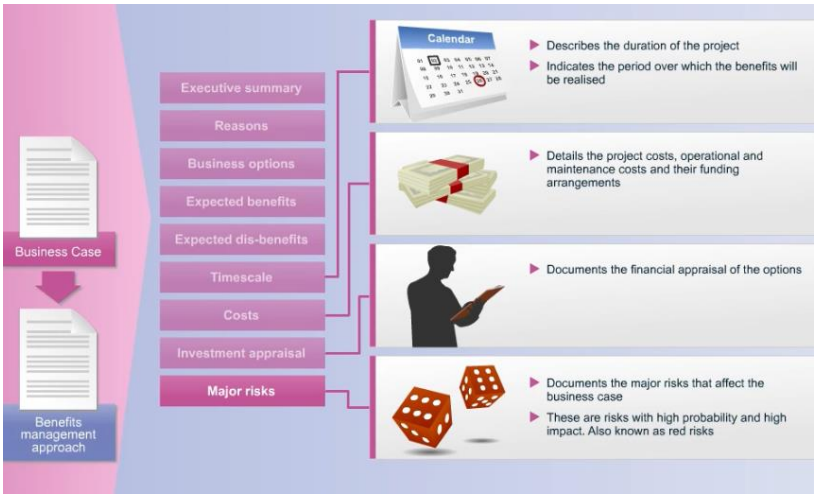
Timescales describe the duration of the project and also indicate the period over which the benefits will be realised, and the costs section details the project costs and the operation and maintenance costs and their funding arrangements.

The investment appraisal section documents the financial appraisal of the options, but the detailed techniques associated with this are not included in the syllabus.

Finally, the major risks section documents the major risks that affect the business case. These are normally described as those with high probability and high impact and are often known as the red risks.

Having discussed the benefits, it is very important to describe how we will benchmark and measure the benefits.

This is documented in the benefits management approach which is produced in the initiation stage by the Project Manager.



Minimum Requirements

Finally, before we conclude this session let's take a moment to review PRINCE2®'s minimum requirements for the business case.

To be following PRINCE2® the project must, as a minimum:

- Create and maintain a business justification for the project, usually a business case
- Review and update the business justification throughout the project
- Define the management actions necessary to create the outcomes and realize the benefits and
- Define and document the roles and responsibilities for the business case and benefits management approach.

Two products are required, and these are the business case and the benefits management approach.

Summary

This brings us to the end of this session on the business case.

Remember that in a customer supplier environment both parties will have a business case.

The supplier justifies their involvement in the project and the customer justifies the project.

The executive owns the customer's business case, and this is the product that drives the project and the decision-making process.

If you don't have a valid business case don't start and if it becomes invalid stop.

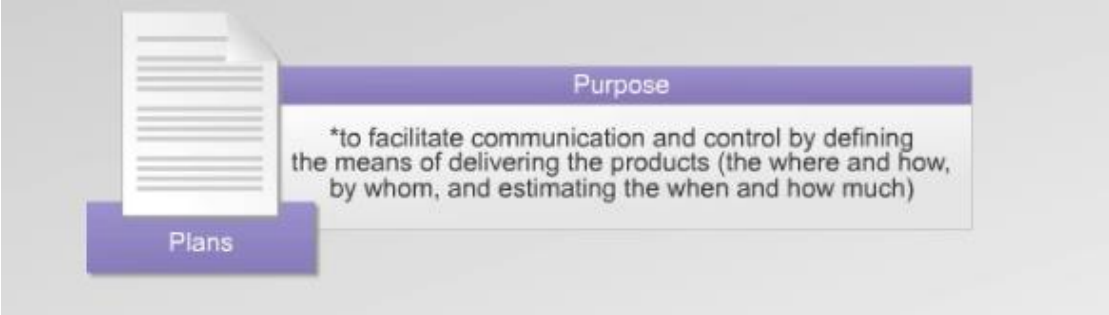
You should now be able to:

- Explain the ownership of the business case
- State the difference between outputs, outcomes, and benefits
- Describe the contents of the business case
- Explain the development path for the business case
- And finally describe the purpose of the benefits management approach.

Session 5: Plans

Introduction

Welcome to this session on PRINCE2®'s approach to plans. The purpose of this theme is "to facilitate communication and control by defining the means of delivering the products (the where and how, by whom, and estimating the when and how much)".



Plans underpin any project and in PRINCE2® we define a plan as "a document describing how, when and by whom a specific target or set of targets is to be achieved; these targets include the project's products, timescales, costs, quality and benefits".

By the end of the session you should be able to:

- State the three levels of plan
- Explain the use of each plan
- Describe each step in the PRINCE2 approach to plans
- Describe the concept of management stages
- Describe factors to consider when identifying stages
- And finally, differentiate between technical and management stages.

Three Levels of Plan

When we considered the organization structure we identified three clear levels, the project board, the project manager, and the team manager.

Each level has differencing needs with regard to information. At the top level the project board is usually interested in the delivery of key items, which we call milestones.

The project plan provides this level of detail and if our project is part of a programme it will interface to the programme plan.

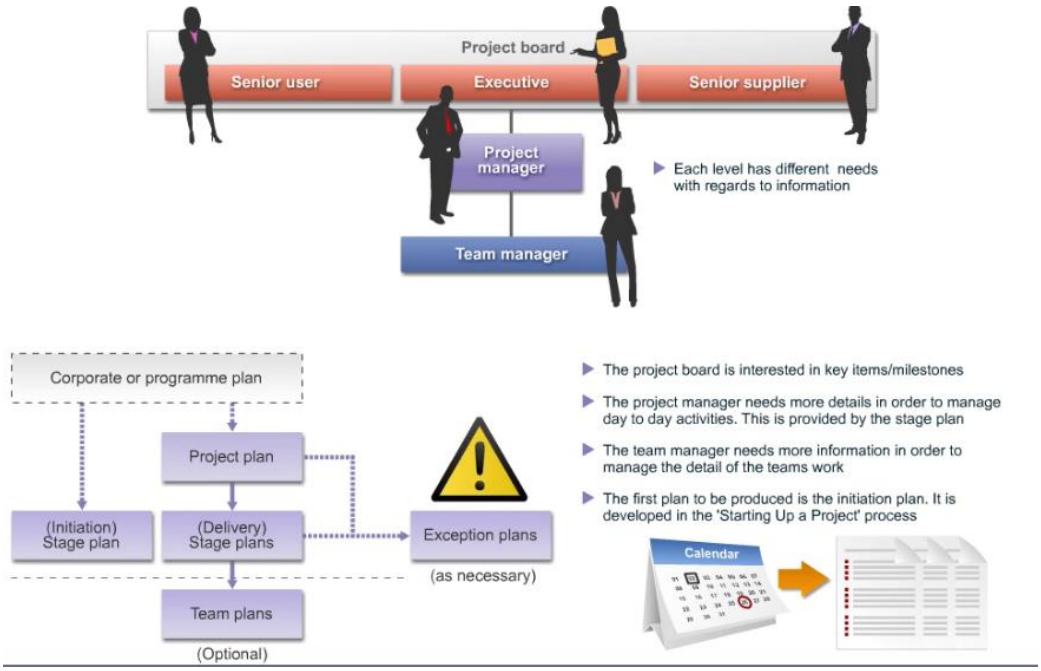
The project manager, however, needs more detail in order to manage the day to day activities and this is provided by the stage plan.

At the team level, the team manager needs more information still to manage the detail of the team's work and this is provided by the team plan.

Team Plans are optional but are usually provided for work packages or when external contractors undertake the work.

The first plan that is produced is the plan for the initiation stage and this is developed in the starting up a project process. This may be a simple list of key dates for a small project or much more detailed when the initiation stage takes some time for a much larger project.

Finally, if a stage or project plan is forecast to exceed its tolerance, the project board may request an exception plan.



Project Plan

The project plan provides an overview of the entire project and is used by the Project Board to monitor progress stage by stage.

Part of the plan is the schedule and it is from this that the key decision points are identified as we use this information to define the stage boundaries.

The business case is updated with the costs and timescale derived from the plan and don't forget that the project plan should also align with the requirements of the corporate body or the programme.

The project plan is produced in the initiating a project process and updated at the end of each stage with the latest information.

Let's move on now and discuss the stage and team plans.

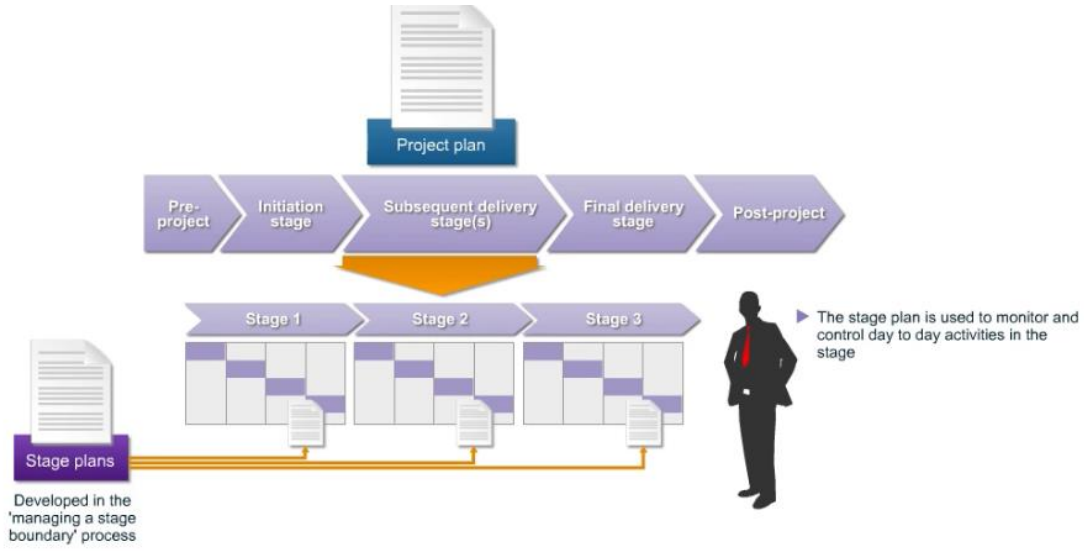
Stage and Team Plans

As we've just seen the project plan defines the number of management stages.

The stage plan is produced at a more detailed level than the project plan and we plan each stage towards the end of the previous stage.

The project manager uses it to monitor and control the day to day activities of the stage.

A stage plan is developed in the managing a stage boundary process and as it is produced nearer to the time that the events take place it is likely to be more accurate than the overall project plan and is of course based on the performance of earlier stages.



This leads us to team plans which are optional.

The team manager produces these either as part of 'accept a work package' in the 'managing product delivery' process or in parallel with the production of the stage plan.

Team plans are usually required in complex projects or when the work is undertaken by external suppliers and if we are using team plans and we then combine them we will have a stage plan.

Exception Plans

If a stage or project plan is forecast to exceed its tolerance an exception report is produced for the project board.

There are a number of possible responses to an exception report such as close the project or ask for more information but in many cases the board will ask for an exception plan to be prepared to replace the plan that is in exception.

An exception plan is produced at the same level of detail as the plan it replaces.

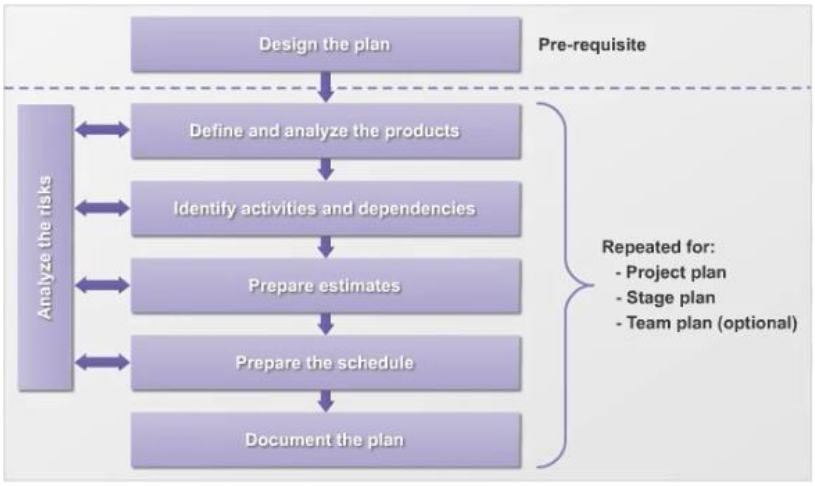
Once it has been prepared the project board hold an exception assessment to review and approve the plan.

If it is the project that is in exception, then they will pass it to the corporate or programme management or the customer for approval.

Once approved the exception plan becomes the new baselined project or stage plan.

PRINCE2® Approach to Plans

PRINCE2® suggests seven steps that will result in a plan.



First, we must decide what type of plans we are producing, the detail required, estimating methods used and we do this in the first step, design the plan. This is normally only done once in a project during the initiation stage.

After that we use the six remaining steps to develop each level of plan.

We firstly define and analyse the products using the product based planning technique, which we will explore in another session.

This results in a list of products and the order in which they are created. Once this is known we can work out the activities required to produce the products and the dependencies between them and prepare a network.

The duration and cost for each activity is estimated which enables us to prepare the schedule to which we add resources.

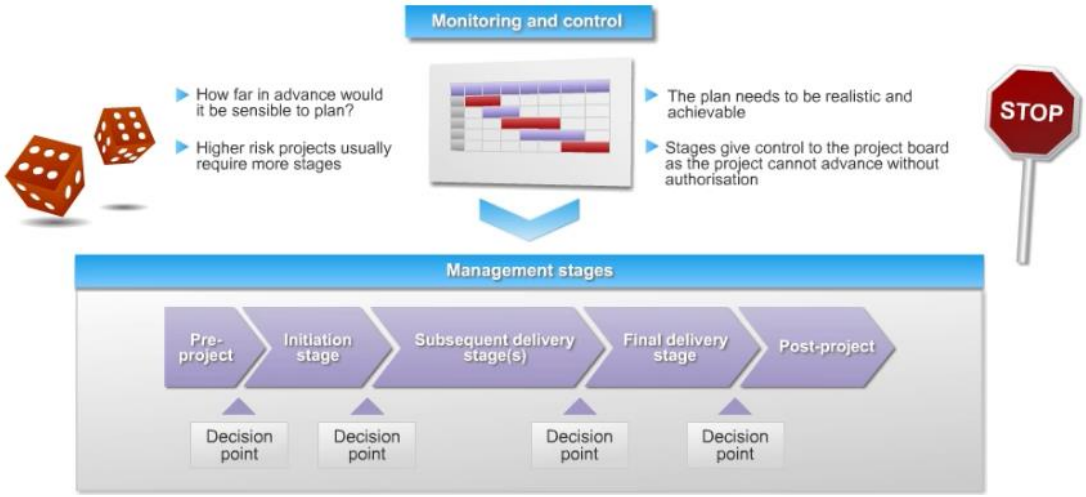
And finally, we document the plan adding some text to describe the plan's coverage.

Throughout these steps we must consider the risks and add the mitigating activities into our considerations.

Management Stages

The basis of monitoring and control is the plan. We must have a plan that is realistic and achievable and we shall assume that is the case. If your plan isn't realistic then PRINCE2® won't help!

The overall project schedule will require splitting into management stages. These are partitions of the project with management decision points.



There are many factors that affect the positioning of a stage boundary, but the essential question is "where does the project board need to make a decision about the future of the project?"

This is normally after something significant has been achieved but perhaps more importantly ***before*** we make a major commitment to the project.

We can also consider questions such as:

> "how far ahead can I sensibly plan?"
> "how much risk is there in the project?" as higher risk projects usually need more stages. Stages give the project board control because they have to authorise the next stage, if they don't it can't proceed.

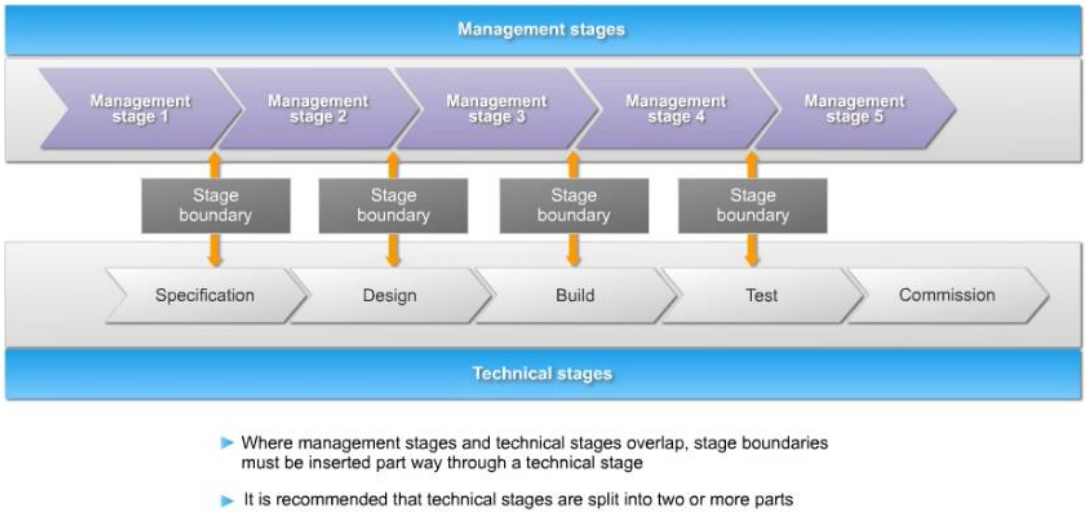
Remember that the minimum number of stages in a PRINCE2® project is two – initiation and the rest of the project. This would be appropriate for a small project.

Technical Stages

One of the difficulties of selecting appropriate stage boundaries is their relationship to technical stages.

A technical stage is typified by the use of specialist skills, for example, specification, design, build, test and commission.
In an ideal world these would be sequential and then we could line up the management stages with the technical stages.

Usually they overlap so we have to insert a management stage boundary part way through a technical stage. It's recommended that the technical stage is split into two or more parts.



Minimum Requirements

To be following PRINCE2®, a project must, as a minimum:

- Make sure the plans enable the business case to be realized
- Have at least two stages, initiation and one further management stage
- Have a project plan for the whole project and a stage plan for each stage
- Use the product based planning technique
- Produce plans for managing exceptions as needed
- Define the roles and responsibilities for planning
- And use any lessons from previous projects to inform planning.

PRINCE2® requires four products to be maintained and these are:

- The project product description
- Product descriptions
- A product breakdown structure
- And a plan.

Finally, PRINCE2 recommends the use of a product flow diagram although this is optional.

Summary

This brings us to the end of this session on plans. We have considered the three levels of plan at project, stage, and team level. Remember that these reflect the different information needs of the project management team.

We considered the PRINCE2® approach to developing plans which is applied at all levels of planning.

You should now be able to:

- State the three levels of plan
- Explain the use of each plan
- Describe each step in the PRINCE2 approach to plans
- Describe the concept of management stages
- Describe factors to consider when identifying stages
- And finally, differentiate between technical and management stages.

This concludes this session.

Session 6: Product Based Planning

Introduction

Welcome to this session on PRINCE2®'s approach to product based planning.

This technique underpins the principle "focus on products" and once we have decided what type of plans we require for our project in the "design the plan step" it forms the first step of the planning approach.

By the end of the session you should be able to:

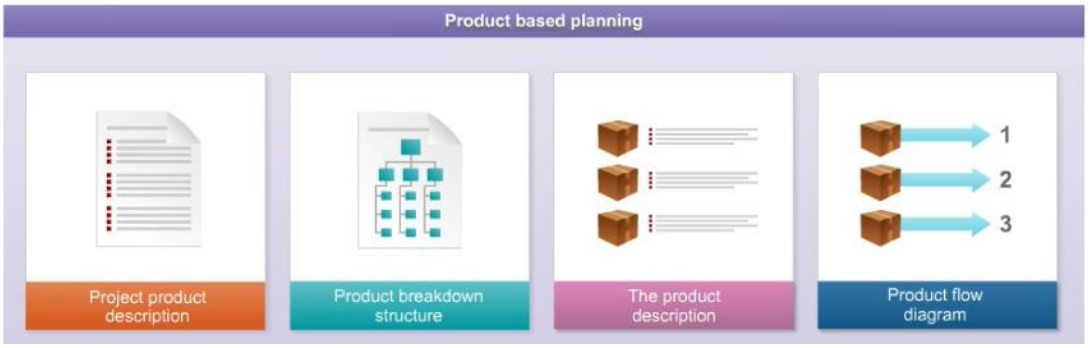
- State the four product based planning steps
- Create a simple product breakdown structure
- Create a simple product flow diagram
- And finally, state the difference between internal, external, and grouping products.

What is Product based planning

In many organizations, the project staff take a work based approach to planning by firstly identifying the activities necessary to complete the work. PRINCE2® also contains a work based planning step within its approach to plans, but before getting into activities, we suggest you identify the products.

This has two key benefits, firstly, if you can describe the product the supplier can build it and secondly, if we know what we want we can also describe how good it has to be, in other words state the quality criteria.

In PRINCE2®, product based planning has four steps:



Firstly, we create the project product description in the starting up a project process. This defines the project and its main components.

The second step is to break those components, or groups, into smaller products and we call this a product breakdown structure or PBS.

The product descriptions comes next which define each individual product and finally, if needed, we create a product flow diagram, or PFD, which shows the order in which the products will be created.

We will consider the project product description and product descriptions in more detail in the quality session.

Let's move on now to consider the way we create a PBS and a PFD.

Create a simple PBS

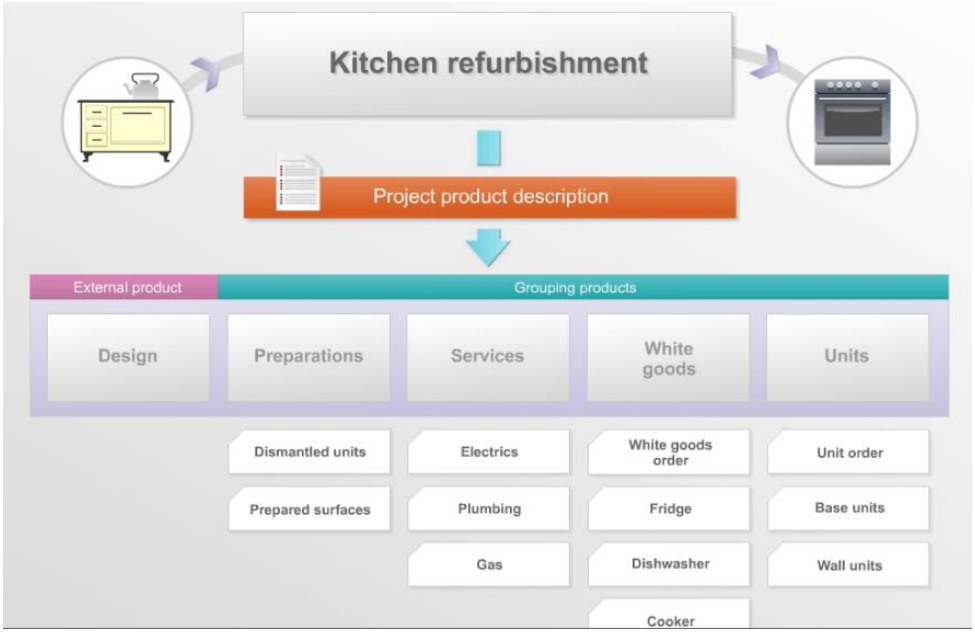
Let's consider a simple project like refurbishing the kitchen in a school. Our first task is to create the project product description, and this will define the main items of scope in its composition.

Let's assume that these are Preparations, Services, White Goods, and Units.

These become the grouping products. Essentially, these are just headings which we can expand to determine the individual products.

We can also assume that we already have the design. Because this already exists and has been prepared outside the scope of our plan we call this an "external" product because it is external to our project.

Having got this far, we now make lists of products that will be required within each group, which you can see on screen. This is a simple PBS and, there would be many more products.



Take some time to study this diagram and then move on to learn how we create a Product Flow Diagram or PFD.

Create a simple PFD

Each significant product, or group of products shown on the PBS will require a product description and we consider these in the quality session, so we'll move straight on to creating a PFD.

A PFD is a diagram that shows the order in which the products are created and the relationship between them.

They are very simple to construct. The last product on the PFD is the top product in the PBS, in our case, New Kitchen.

As we will start when the design is available, we will put that at the beginning.

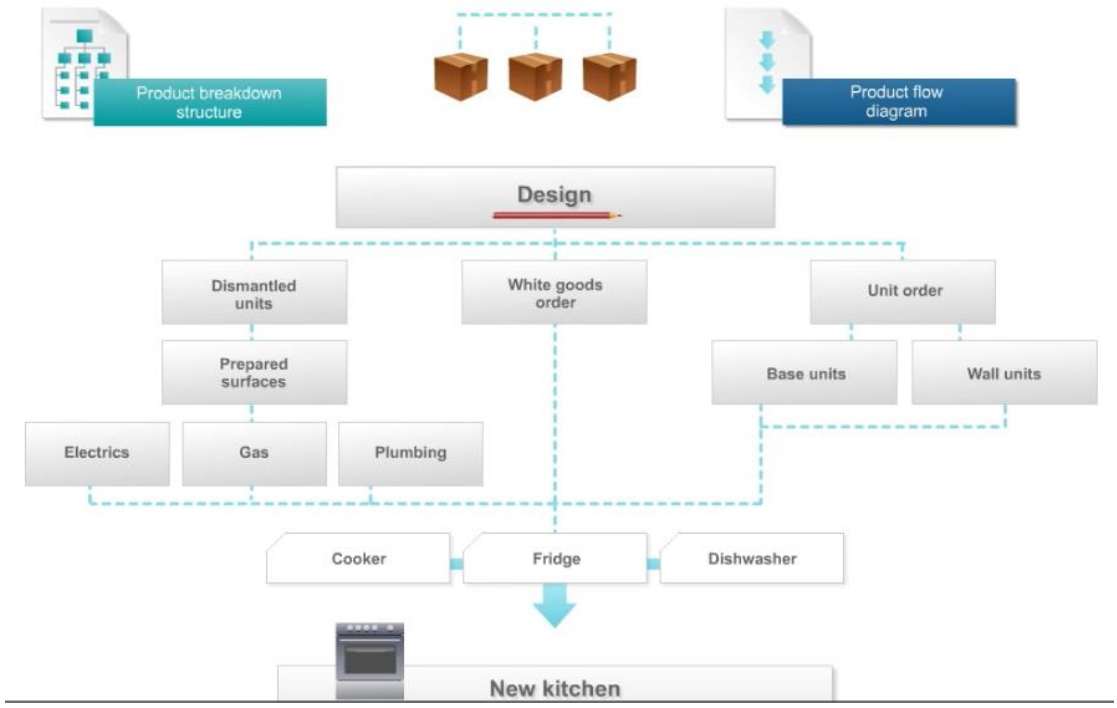
The preparation items come next and we can also complete the unit order and the white goods order at the same time.

After that comes the services, units, and white goods.

This is the completed PFD and you will notice that we haven't transferred the grouping products because these are not products, they are just headings.

The PBS and PFD are the basis of the work we will do next to identify the activities required to produce the products and the dependencies between them.

Eventually, this will lead to a fully resourced schedule for the project.



Summary

That brings us the end of this session about product based planning.

Don’t forget that products being produced outside the scope of our plan are called external products, grouping products don’t go onto the PFD and the technique underpins the principle “focus on products”.

You should now be able to:

- State the four product based planning steps
- Create a simple product breakdown structure
- Create a simple product flow diagram
- And finally, state the difference between internal, external, and grouping products

This concludes session 6.

Session 7: Quality

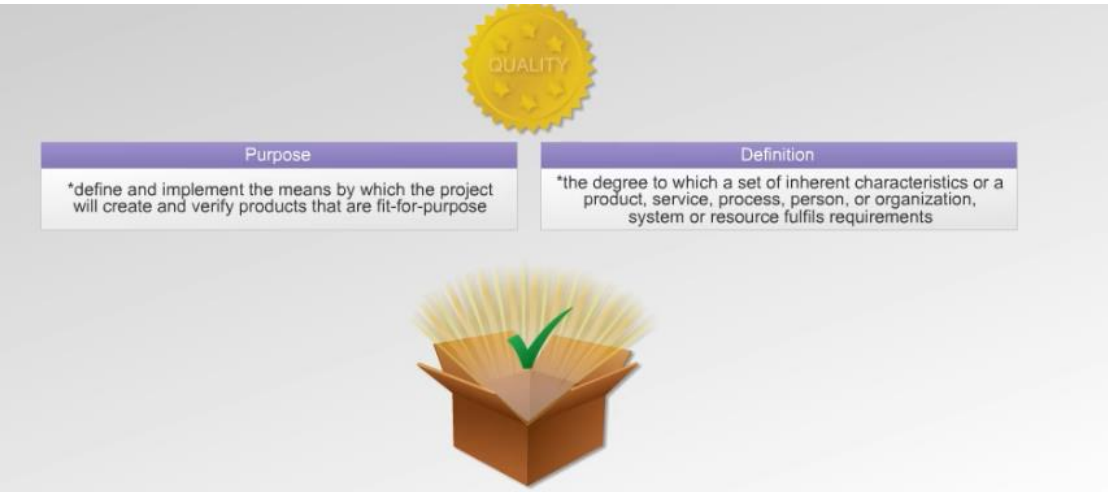
Introduction

Welcome to this session on PRINCE2®'s approach to quality. The purpose of this theme is "define and implement the means by which the project will create and verify products that are fit-for-purpose".

Quality is a key element of any project is defined as "the degree to which a set of inherent characteristics or a product, service, process, person, or organization, system or resource fulfils requirements".

We can establish the requirements for quality by asking the question "how good does it have to be?"

A common definition of quality is "fit for purpose".



By the end of the session you should be able to:

- Define quality
- Describe the quality audit trail
- State the purpose of quality related products
- And finally, explain the quality review process.

What is quality?

As we've just mentioned there are many definitions of quality but essentially whichever one we choose any statements about quality must be measurable.

For example, if we were building a lecture theatre we may say it must be warm. This isn't measurable as we all have different views of what "warm" means?

However, if we said, "we expect the temperature to be between 18 and 22 degrees Celsius" then this becomes a measurable statement.

We call these measurable statements "acceptance criteria" when they refer to the project, that is, what makes the project acceptable.

When we are referring to an individual product we call the statement "quality criteria".

The PRINCE2® approach to quality ensures that the products meet business expectation and enable the business benefits to be achieved.

Quality Management – Quality Control

PRINCE2® defines quality management as "the co-ordinated activities to direct and control an organization with regard to quality".

PRINCE2® explicitly considers quality planning and quality control.

Let's start with quality control.

Quality control concerns checking that the products built meet their quality criteria as stated in the product description.

Here a few examples of quality control activities:

For a piece of software, a system test may be required; for a document, we could use the quality review technique described by PRINCE2®; for some building work, we often inspect the work; and for some technical installations we may use a specific piece of test equipment.

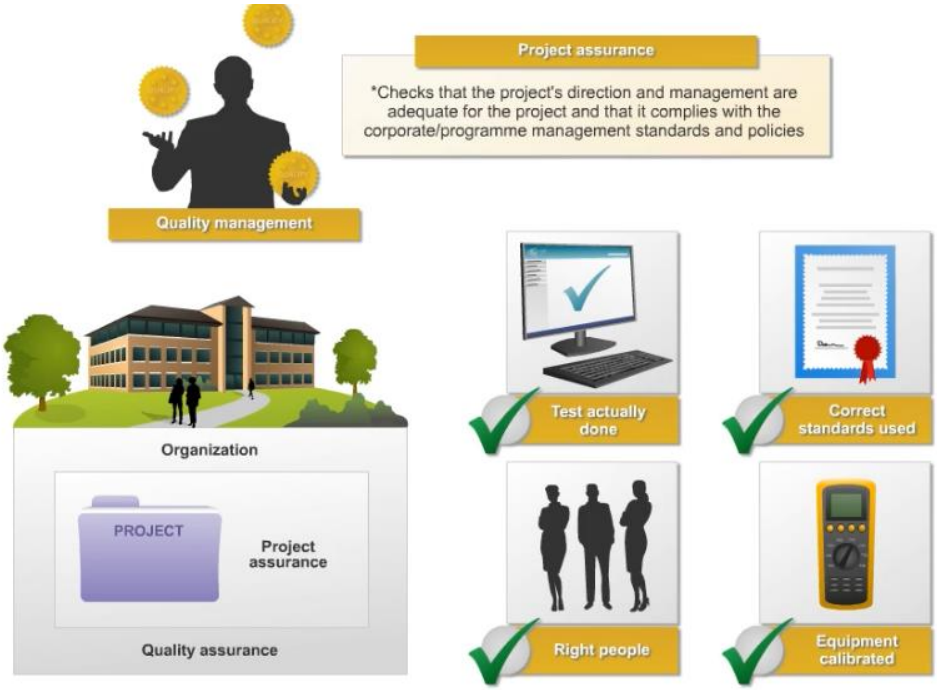
Quality Management – Quality Assurance

Testing and checking what we build is not optional but how do we really know that the tests were done? This is where Project assurance comes in.

The function of both the senior user's and senior supplier's project assurance is to make sure that the tests were actually done, the right standards were used, that the right people did the tests and that any test equipment used was correctly calibrated.

Within the project it is the responsibility of Project Assurance to make sure the project is managed properly and that the appropriate quality checks are undertaken.

It is import not to confuse project assurance with Quality Assurance which is a corporate responsibility and makes sure that the organization uses the agreed standards and processes.



Now let's move on now to consider quality planning.

Quality Planning

Quality planning involves defining the project's products, their respective quality criteria, quality methods, including the effort needed for quality control and product approval and the quality responsibilities of those involved.

We undertake planning so that we have a secure basis to:

- Obtain approval from the project board on the overall approach to quality
- Communicate these agreements to all stakeholders and
- To establish an effective baseline for quality.

Minimum Requirements

To be following PRINCE2® a project must:

- Define the quality management approach including:
  - The approach to quality control
  - The approach to project assurance
  - How quality is communicated throughout the lifecycle and
  - The roles and responsibilities of those involved.

- Specify quality criteria for the project's products

- Maintain records
- Specify customer's quality expectations and prioritized acceptance criteria

- Use lessons to inform quality planning.

There are two products that must be created and maintained, and these are:

- The quality management approach and

- The quality register.

Before you move on take a few moments to familiarise yourself with the purpose of each of these products.

The Quality Audit Trail – Part 1

At the beginning of the project in the starting up a project process the project manager will discuss the requirements with the executive and the senior user to establish the initial scope of the project.

The results of these discussions are recorded in the project product description or PPD. The purpose of the PPD is to define what the project must deliver to gain acceptance.

It is the responsibility of the senior user to define the customer's quality expectations and acceptance criteria. So, what is the difference between customer's quality expectations and acceptance criteria?

Quality is often thought of in abstract terms with words like good, excellent, good enough, being used to describe our quality requirements. These statements are known as customer's quality expectations and form general statement about how good we expect the finished product to be.

For example, the new kitchen must be spacious; the new IT system must work all the time; the new extension must be warm, the new accounts package must be capable of handling current and future customers.

Let's move on to consider how we can make these statements into acceptance criteria.

The Quality Audit Trail – Part 2

Apart from the statement about IT none of the statements on the previous page can be measured and must be translated into measurable acceptance criteria such as:

The new kitchen must have 5 square meters of available floor space; the new extension must have an ambient temperature between 18 and 21 degrees Celsius; the new accounts package must be able to handle the current customers with capacity for a 200% increase in our customer base.

Finally, what about the IT statement it must work all the time? Does the customer really mean 24/7 in which case the system will be expensive or do they mean that the new system must have an availability of 99% in normal working hours? Once these are agreed we can agree the contents of the project product description, which is included within the project brief and approved by the project board.

The Quality Audit Trail – Part 3

Once the project brief, which contains the project product description, is approved by the project board we move into the initiation stage and using the 'initiating a project' process we will establish the documentation that forms the basis of the project.

This is called the project initiation documentation, or PID, and it contains among other things the quality management approach. The purpose of the approach is to describe how quality will be managed on the project. It includes the specific processes, procedures, techniques standards and responsibilities which should be applied.

Once we have got used to PRINCE2® we won't be starting from scratch, we will already have produced an approach for other projects and we will be able to use these as a basis for our project and simply tailor it for our needs.

It contains the standards we use, the process adopted for quality control, key responsibilities, defines the records to be kept and the reports to be issued.

The Quality Audit Trail – Part 4

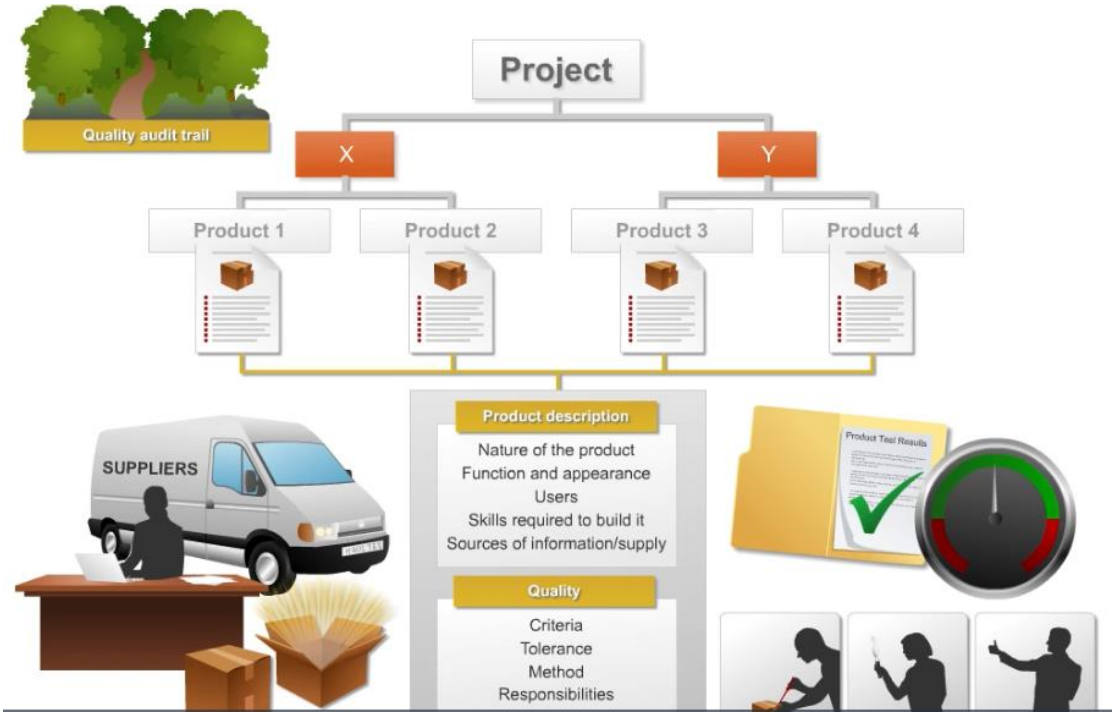
Having established the approach, we will get into the detailed planning of the project using the product based planning technique. Once we have identified the individual products we will have to write a product description for them.

The purpose of the product description is to understand the nature of the product, its function and appearance. It also defines who will use the product, the skills required to build it and the sources of information or supply for the product.

Most importantly in this context it also defines the quality criteria that we will use to judge whether the product is fit for purpose.

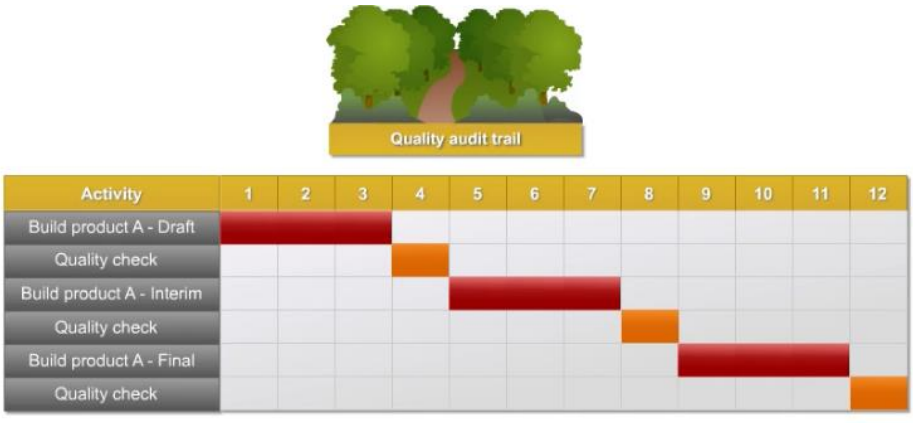
Associated with the quality criteria will be any quality tolerances.

The product description goes on to define the way we will test the product which we call the quality method and lastly the quality responsibilities which refers to the producer, reviewer, and approver for the product; in other words, who will build it, check it, and sign it off.



The Quality Audit Trail – Part 5

We are now at the point where we are starting to plan the detailed work in the stage.



We will be planning the activities associated with building a product and at some point, in the build cycle we will have to check the quality.

The quality management approach will define when this will happen. For example, the strategy may state that we check our products at draft, interim and final stages of production.

Whatever the process for quality checking we must plan these activities into the schedule and then update the quality register with the planned dates of the check, the names of the people involved and the type of check.

As the checks are completed the quality register is updated and at some point, the product will be approved and baselined. This may involve an element of configuration management which we will discuss in the session on change.

If any approval records are required they will also be updated.

Quality Review Technique – Overview

Before we look at the quality review technique please remember that PRINCE2® suggests two types of quality checking activities.

They are "in process" which relate to the regular checks on quality throughout the build cycle and "appraisal" which relates to the final test at the end of the build cycle.

The quality review technique is written with checking documentation in mind, but its principles can be applied to any product.

Any quality check consists of three main activities once a product has been built.

Firstly, someone tests the product, then they get together with the producer of the product and discuss what they have found and finally in step three the problems are resolved, the product is rechecked and signed off.

This is exactly what happens in the quality review technique.

The three steps are called "review preparation", "review meeting" which has a defined agenda and "review follow-up".

Let's move on now to consider the roles involved in the review process.

Quality Review Technique – Roles and Responsibilities Part 1

Associated with the process are four main roles which are the chair – the person who organises and oversees the process, the reviewer who checks the product against its product description, the presenter, who represents the producer and presents the product for review and finally, the administrator who provides administrative support to the chair and records the result and any actions.

For some products, there may also be an approver who is responsible for providing final approval of the product.

During the review preparation step the chair checks the product is ready for review and the presenter distributes the product and its product description to the reviewers.

The reviewers check the product against its product description and annotate minor errors of spelling and grammar on the product itself, which is why the technique is specifically aimed at documentation.

If the reviewers have any questions, then they raise them on a question list. The list and annotated product is returned to the presenter and the chair produces consolidated questions which are sent to the presenter in advance of the meeting.

Quality Review Technique – Roles and Responsibilities Part 2

During the review meeting the presenter gives a brief summary of the product and the chair invites the reviewers to contribute their major or global questions.

As the questions are raised the team agrees in the action required which are recorded by the administrator.

It is very important to remember that the purpose of this is to list the problems and actions; it is not to solve the problems.

Once all the questions have been examined the chair leads the team to a collective decision on the outcome of the review. There are three possible outcomes.

Firstly, the product is fit for purpose and is “complete”. Alternatively, there may be a few minor problems to correct in which case we call it “conditionally complete” and finally, if the

corrections of the problems will require a complete re-review we note the outcome as “incomplete”.

In the final follow up step the agreed actions are completed, the product re-checked as required and all being well signed off as compete.

The chair will inform all interested parties of the result and before we finish, don’t forget to update the quality register at each step.

Summary

This brings us to the end of this session on quality. We have considered the difference between the QMS, quality planning, assurance, and control.

We went on to discuss each step of the quality audit trail and concluded with a discussion of the quality review technique.

You should now be able to:

- Define quality
- Describe the quality audit trail
- State the purpose of quality related products
- And finally, explain the quality review process.

This concludes session 7.

Session 8: Risk

Introduction

Welcome to this session on PRINCE2®'s approach to risk. The purpose of this theme is "to identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed".

Management of risk is an important part of any endeavour and unfortunately is often done badly or overlooked altogether.

The PRINCE2® approach to risk management coincides with all good practices and is one of the themes that can be used without tailoring, other than setting up the approach in the initiation stage.

We define a risk as "an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives"

It consists of a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives, where: threat is used to describe an uncertain event that could have a negative impact on objectives, and opportunity is used to describe an uncertain event that could have a favourable impact on objectives

By the end of the session you should be able to:

- Describe the difference between threats and opportunities
- State the responses available for both threats and opportunities
- State the steps in the risk management procedure
- Differentiate between cause, event and effect when expressing a risk
- and finally, explain the difference between probability, impact, and proximity.

Risk Management

PRINCE2® defines risk management as “the systematic application of principles, approaches and processes to the tasks of identifying and assessing risks, planning, and implementing risk responses and communicating risk management activities with stakeholders.”

For risk management to be effective we need to:

- identify, capture, and describe risks
- Assess the probability, impact, and probability of each risk
- Plan appropriate risk responses and assign these to people to action and own and
- Implement these responses and monitor and control their effect.

Let’s move on now to consider how PRINCE2® suggests we achieve these aims.

Risk Management Procedure – Part 1

The procedure is shown here and consists of four steps:

- Identify
- Assess
- Plan
- Implement

These steps are undertaken in this order every time we start the process of risk identification and assessment.

Communication is a continuous process in any project and the status of risks and lessons learned from them must form part of all regular and exceptional communications.

There is a part of the identify step that we only do during initiation where we identify the context for risk management and we'll move on to consider this now.

Risk Management Procedure – Part 2

During the initiation stage one of the activities we have to do is to prepare the risk management approach. This relates to the first part of the identify step in the procedure.

We need to discuss with the team, and in particular project assurance, our approach to risk management for this project. This includes understanding whether there is a corporate or programme management strategy that we should take account of and if there any lessons from previous projects that we should apply.
The strategy defines our procedures for identifying and assessing risks, planning, and implementing risk responses, the reporting requirements, key responsibilities and most importantly the scales for probability and impact.

In other words, just what constitutes high probability of occurrence and similarly what does high impact mean? We'll discuss these more in a moment.

Once the approach is complete, the project board will approve it, either at the time, or when they review the PID.

While we are preparing the approach, we will also create the Risk Register where we can record all the information about the risks associated with the project.

Now that we have the approach in place let's move on to consider the way we identify and assess risk.

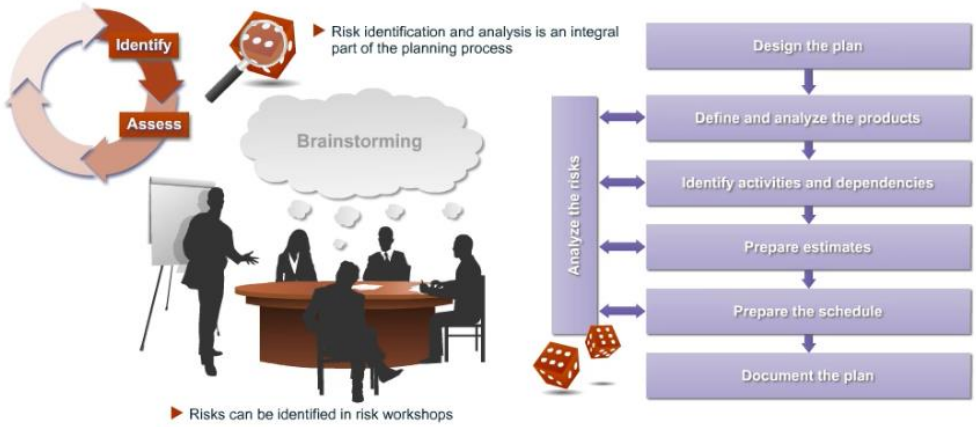
Risk Management Procedure – Part 3

Risk identification and analysis is an integral part of the planning process as we discussed in the plans session.

There are many techniques for identifying risks, the most common of which is brainstorming during a risk workshop.

These techniques are outside our syllabus, so we'll just concentrate on the process.

It is very important that we clearly state risks in terms of the cause, the event that might occur, and the effect if it does.



For example, torrential rain this evening, which is the cause, may result in the river level rising and bursting its banks, which is the event, and the housing estate will be flooded, which is the effect.

Initially, when we identify the cause we may not be able to fully identify the effect until we have competed the 'assess step' of the procedure, so let's move on to discuss that part of the process.

Risk Management Procedure – Part 4

Having identified the risk our next step is to assess its probability and impact.

Normally we do this using a 5 x 5 risk matrix mapping probability on the "y" axis against impact on the "x" axis.

The scales for these axes are defined in the risk management approach.

Here's an example and you can see we have provided impact scales for time, cost, and quality.

We may also consider the impact on the benefits in certain circumstances.

Let's assume we have estimated the probability of the risk as High, we need to consider the impact. Again, it is very important to follow the rules here.

For example, let's assume we are planning to launch a new product and we hear that a competitor may be launching a similar product before us.

We can estimate the probability as high but there is no impact on the timescale of our project, we can still proceed with our plan.

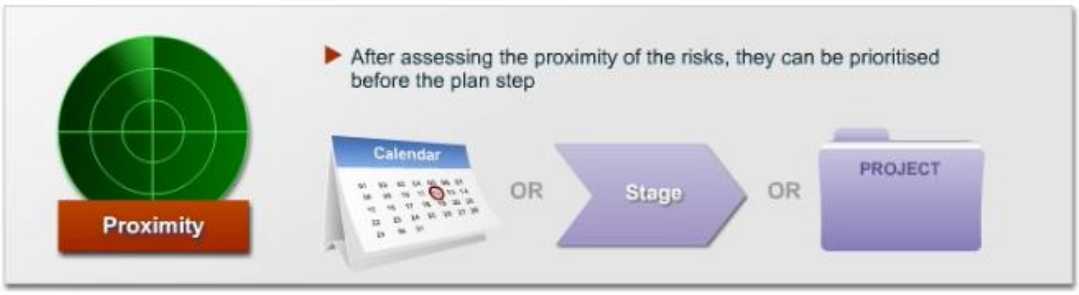
Similarly, there is no impact on cost or quality.

The big impact will be on the benefits from our project which are likely to be reduced as the competitor steals our market share.

The rule for assessing impact states "if I don't take any action what will be the impact on time, cost and quality, and perhaps benefits".

Risk Management Procedure – Part 5

Before we move on to consider what we can do about the risks in the "plan" step we need to assess the proximity of the risk.



This is an indication of when the risk may happen, for example within 2 weeks, within the stage, within the project. This helps us to prioritize the risks before we enter the plan step.

So, now we can consider the actions required to deal with the risks.

This takes place in the plan step and there are six actions that can be applied to threats and opportunities.

For a threat, we could avoid it. This means doing something completely different, so the threat won't happen and will mean re-planning part of the project. Cancelling the project is another example of avoid.

We could take some action that would reduce either the probability or the impact to an acceptable level.

A common action when we are using an external supplier is to transfer the risk. Taking out insurance is another example of transfer, but we need to remember that we have only transferred the financial impact of the risk. It does little, if anything to affect the probability of the risk occurring.

Risk Management Procedure – Part 6

We could always accept the risk because it is relatively low-level probability and impact, in other words do nothing or we could develop plan B which we call a contingent plan. Business continuity planning is an example of a contingent plan.
Finally, we come to 'share' which applies to both threats and opportunities. This is a contractual form of risk mitigation associated with a target price contract where we share the pain or share the gain.

Now that we've looked at the possible responses for a threat let's consider the responses to opportunities.

The first option is to exploit the opportunity, in other words change the plan so that we take advantage of it.

We could make the opportunity more likely to happen by changing the plan slightly and we call this enhance.

We could decide it wasn't worth the bother and we would reject the opportunity, although the manual refers to this as accept.

Finally, we could prepare a contingent plan so that if the project developed in a way we could take advantage of the opportunity.

Risk Management Procedure – Part 7

Just before we move on to the implement step one thing we can consider at this point is the overall exposure of the project to risk.

This refers to the total number of risks and their overall effect on the project if they were to happen.

We call this “evaluate” and it is actually part of the assess step in the process. This enables the Project Board to evaluate whether the overall risk is acceptable and whether the project should proceed or not.

Now we have a list of possible actions we can decide which ones are worth taking by considering the costs of action against the cost of inaction.

Once we agree the mitigating actions, they need to be implemented.
We may have to add another product in the product breakdown structure.

There will definitely be more actions in the schedule and the work packages will need updating.

We assign the actions to people who we call risk actionees and we’ll also assign an owner to each risk.

The risk owner monitors the situation that may lead to the risk arising and makes sure the action is having the desired effect. The actionee does the work. Sometimes they may be the same person.

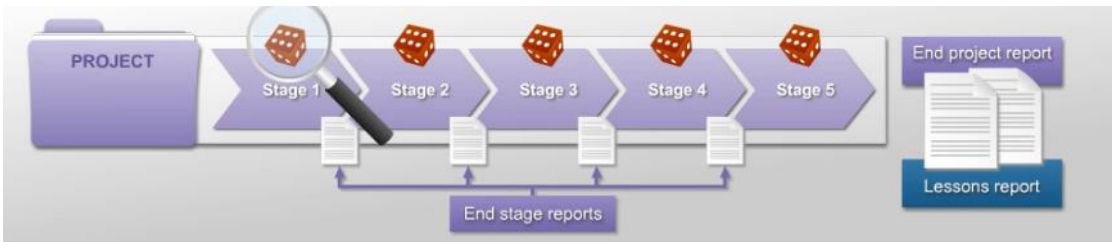
Risk Management Procedure – Part 8

Now that we have identified, assessed, planned, and implemented suitable responses we need to monitor the risks and the actions throughout the project.

As a result, we will communicate their status to the interested parties.

Team managers keep the project manager up to date via the checkpoint report, the project manager keeps the project board informed via highlight reports.

Risks are also covered in the end stage reports and also in the end project report and the lessons report.



Before we finish this session, there are a couple of points to mention, which are risk appetite and tolerance and the risk budget.

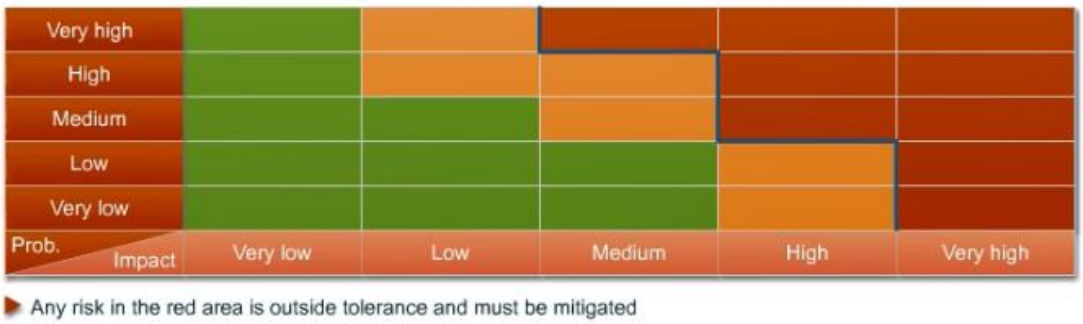
Risk Appetite, Tolerance, and Budget

Every organization has a different attitude towards risk. Some will be happy to take risk, for example, venture capital companies, whilst others may wish to take less risk, a financial institution for example.

This unique attitude towards risk taking is called the “risk appetite”.

The risk appetite will influence the risk tolerance set for the project.

We usually show risk tolerance on the project by setting a line on the probability impact grid as you can see on the diagram.



Where the analysis shows the risk to be in the red area, it is outside tolerance and must be mitigated.

The final item for us to mention is the risk budget. This is a sum of money within the project budget used to fund specific risk actions. It may also include a sum of money to pay for risks that we didn’t consider.

Summary

To be following PRINCE2® a project must, as a minimum:

- Define its risk management approach
- Maintain a risk register
- Follow the risk management procedure
- Use lessons to inform the process.

Two products are required, and these are the risk management approach and the risk register.

In this session we considered each step of the procedure and considered risk owners and actionees, risk appetite and risk tolerance before concluding with the risk budget

You should now be able to:

- Describe the difference between threats and opportunities
- State the responses available for both threats and opportunities
- State the steps in the risk management procedure
- Differentiate between cause, event and effect when expressing a risk
- and finally, explain the difference between probability, impact, and proximity.

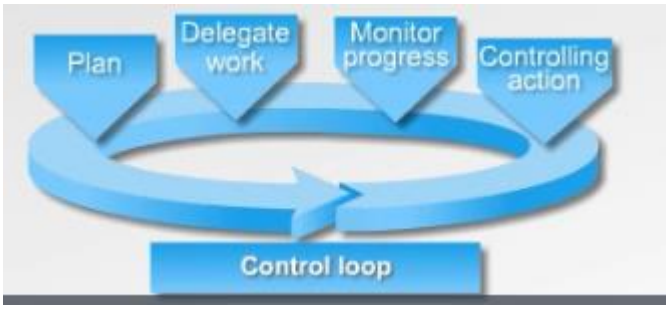
This concludes session 8.

Session 9: Progress

Introduction

Welcome to this session on PRINCE2®'s approach to progress. The purpose of this theme is "to establish mechanisms to monitor and compare actual achievements against those planned, provide a forecast for the project objectives and the project's continued viability, and control any unacceptable deviations".

All projects have a control loop and PRINCE2® is no different. Firstly, we plan, then delegate the work, monitor the progress, and take controlling action if necessary.



The progress theme supports the monitoring and control aspects of the loop.

By the end of the session you should be able to:

- Differentiate between time and event driven controls
- Explain the concept of tolerance and describe the tolerance cascade
- And finally state the purpose of the reports and logs associated with project progress.

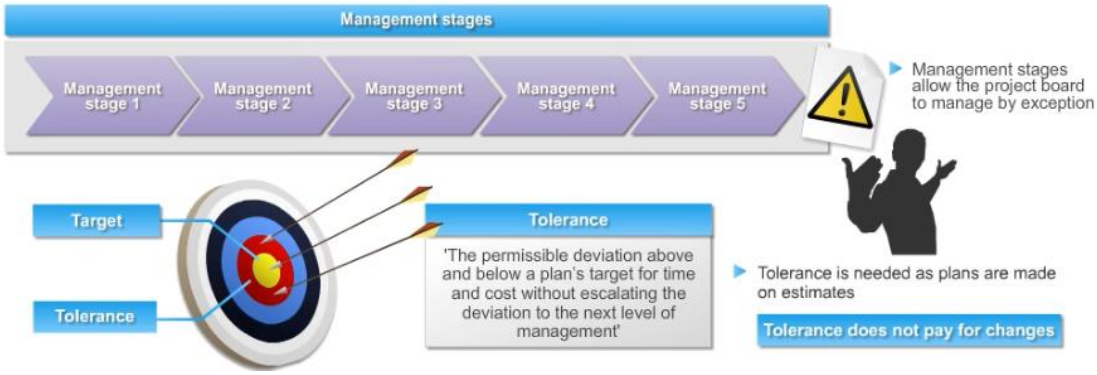
Tolerance – Part 1

Management stages enable the project board to manage by exception, which leads us to a discussion of tolerance.

Tolerance is defined as "the permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management"

We need tolerance because our plans are all based on estimates and we know that these are always inherently inaccurate, and things seldom go exactly to plan and therefore we can think of tolerance as paying for estimating errors and problems.

It is very important to remember that tolerance does not pay for changes.



Tolerance is a range and the standard elements are time and cost, but we also have tolerances for scope, quality, risk, and benefit.

Project tolerances are first established in 'starting up a project' and included within the project brief. However, they are reviewed during initiation when more details of the project are known.

It is essential that you understand the tolerance cascade which describes who sets the different levels of tolerance and how deviations are escalated, and we'll move on to consider that now.

Tolerance – Part 2

The corporate, programme management or the customer are responsible for setting project tolerance for the project board.

The project board discusses the requirements for tolerance with the project manager on a stage by stage basis dividing up the project tolerance as necessary.

The project manager works with stage tolerance and allocates tolerance to individual work packages as appropriate.

An exception is defined as "a situation where it can be forecast that there will be a deviation beyond the agreed tolerance levels"

If there is an exception at work package level and it can be handled within the stage tolerance, then the project manager can decide what to do.

If the exception causes the stage to deviate, then if it can be handled within the project tolerance then the project board can decide what to do but if the exception causes an exception at project level then the executive must refer the problem to the corporate or programme management or the customer for a decision.

Finally, remember that one tolerance pays for another. For example, if you are running out of time but you have cost tolerance left you should use that to accelerate the work.

Let's summarise where we record these tolerances:

Project quality tolerances are included in the project product description with the other project level tolerances included in the definition section of the project brief.

Once reviewed during initiation the tolerances are included within the project controls section of the project initiation documentation.

Time, cost, and scope tolerances are included within the plan at project, stage, or team level and at stage and team level we may also include risk tolerance.

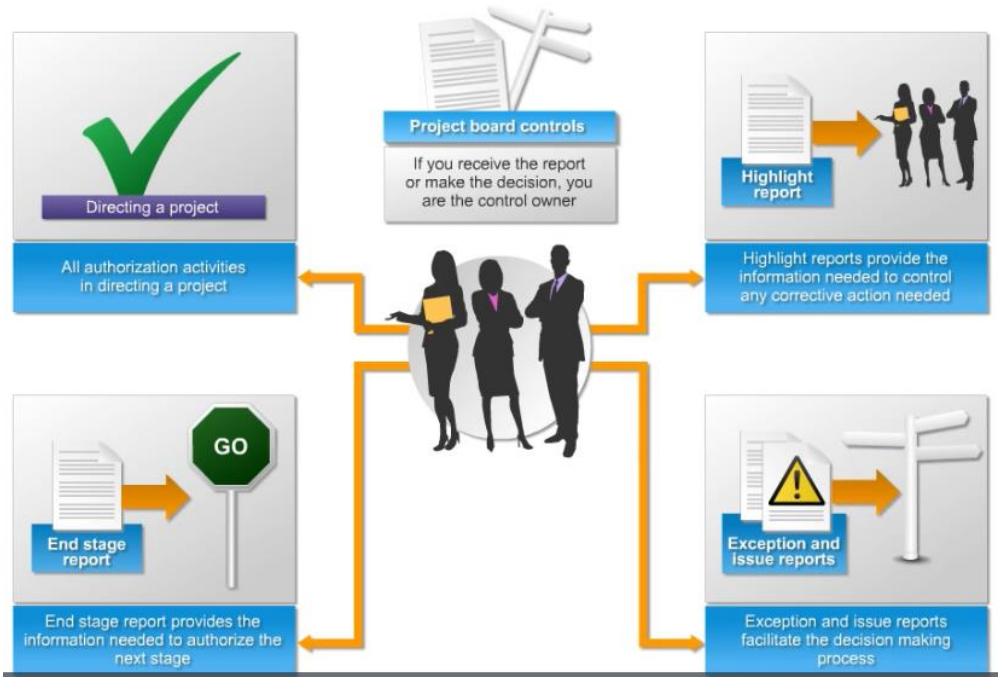
Project level risk tolerances are recorded in the risk management approach.

Quality tolerances against individual products are noted in the product descriptions.

Within the work package we record tolerances for time, cost, scope, and risk.

Project Board Controls

In PRINCE2® we talk about project board and project manager controls.



This will help you remember who owns the control - if you receive the report or you make the decision then you are the owner of the control.

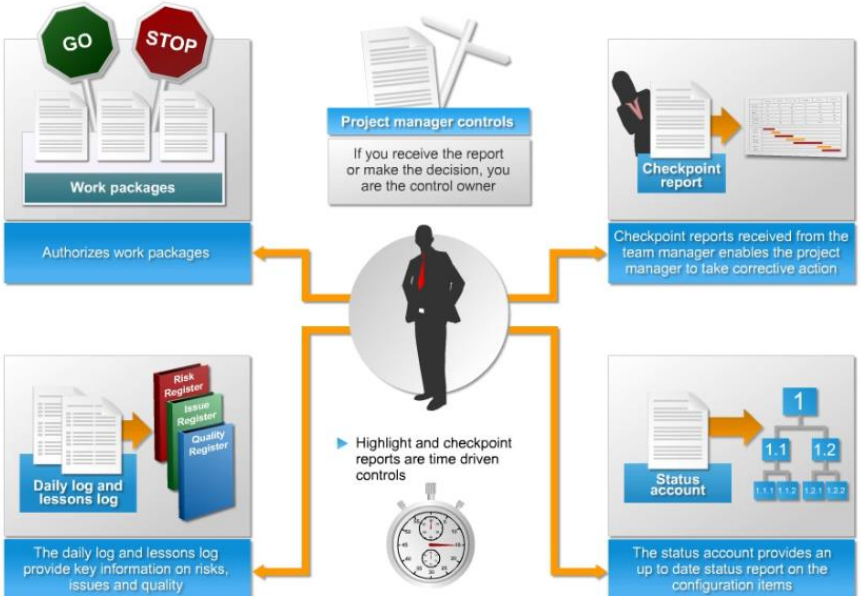
So, project board controls are all the authorization activities in 'directing a project'

These put the project board in control of what happens next.

Regular progress reports provide the board the information they need to put them in control of any corrective action that may be required, and these are called highlight reports.

At the end of a stage the end stage report provides sufficient information to enable the board to decide whether to authorize the next stage and exception reports and issue reports provide information about exception situations and issues and again facilitate the decision-making process.

Project Manager Controls



The Project Manager authorizes work packages, and this gives control over whether the work package starts or not.

The Team Manager issues a checkpoint report at the frequency stated in the work package and this provides progress information to the Project Manager so that corrective action may be taken if required.

Both checkpoint and highlight reports are known as time driven controls because they are issued a defined frequency.

The Project Manager also uses the two logs, the daily log and the lessons log, and the three registers as a control tool as they provide key information on the status of risks, issues, and quality.

The final report the project Manager is likely to use on a regular basis is the product status account which provides an up to date status report of the configuration items within the stage or the project. We will discuss the product status account in more detail in the Change theme.

Minimum Requirements

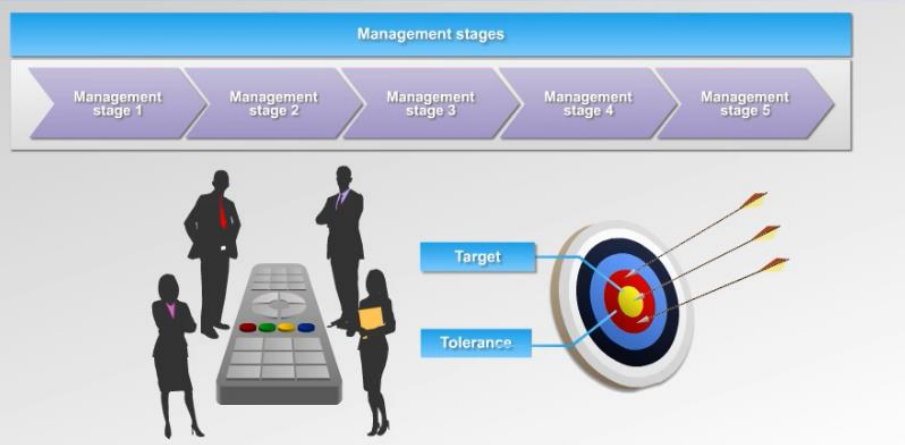
As a minimum PRINCE2® requires you to:

- Describe the approach to monitoring and control in the PID
- Have at least two management stages
- Set tolerances to enable management by exception
- Review the business justification when exceptions arise
- Learn and apply lessons throughout

Summary

This brings us the end of this session about the progress theme.

We have considered the use of stages, the controls offered by PRINCE2® for the project board and the project manager and discussed tolerance. Don't forget to review the purpose of each of the management products we have discussed in the session in either Appendix A of the manual or in the course PDF.



You should now be able to:

- Differentiate between time and event driven controls
- Explain the concept of tolerance and describe the tolerance cascade
- And finally state the purpose of the reports and logs associated with project progress.

Session 10: Change

Introduction

Welcome to this session on PRINCE2®'s approach to change. The purpose of this theme is "to identify, assess and control any potential and approved changes to the project baselines".

This immediately brings the question "what is a baseline?" to mind. Essentially a baseline is a snapshot of a product at a particular point. It is a starting point that we all agree and if there are to be any changes to the baseline we must take the change through the defined change control process.

By the end of the session you should be able to:

- Describe three types of issue
- Explain the purpose of the change budget
- Explain the steps in the issue and change control procedure
- and finally, describe the purpose of the related management products

Configuration Management - Overview

PRINCE2® does not recommend any particular system for managing the inter-dependencies between products, or the individual elements which make up the products. Each industry sector approaches this differently and it is known as configuration management.

However, PRINCE2® does suggest that things that need to be controlled and baselined are called configuration items and information about their status is containing in a configuration item record, which is defined in Appendix A.

A configuration item record is defined as 'a record that describes the status, version and variant of a configuration item, and any details of the important relationship between them'.

PRINCE2® also suggests the use of a product status account, which is a free format report defined as 'a report on the status of products. The required products can be specified by identifier or the part of the project in which they were developed'.

Minimum Requirements

To be following PRINCE2® the project must, as a minimum:

- Define its change control approach covering the issue process and roles and responsibilities for change control
- Define how baselines are created and maintained
- Maintain some form of issue register and ensure issues are managed throughout the project and finally
- Use lessons to inform issue identification and management.

PRINCE2® requires a change control approach and an issue register to be created and maintained.

Issue & Change Management Procedure – Part 1

Let's move on now to consider the way we deal with issues and changes. Everything that is brought to the attention of the project manager is known as an issue and can be categorised in one of three ways.

It can be a "request for change" which is when someone requests that the product does something different to that already agreed, no matter how small. The second type of issue as an off specification and this refers to a product that doesn't match its product description or is forecast to be missing. In other words, we have built something, but it isn't quite right.

If the project board are prepared to accept the defect, then they have granted a "concession". Companies often trade concessions for money or some other consideration.
And finally, the last type of issues is known as a "problem or concern" which basically covers everything else.

Issue & Change Management Procedure – Part 2

The first step in the procedure is called “capture”. Anyone can raise an issue and the project manager first decides whether it can be handled informally or not.

If the issue is easy to resolve, for example, a team manager requires a signature on an application for a site pass, then the project manager resolves the issue and makes a note in his or her daily log of the actions taken, and the issue is closed.

On the other hand, the issue may be a request for change, or a more serious problem, or an off specification not easily resolved, and the project manager will decide to deal with it formally.

In this case an issue report is prepared and entered in to the issue register.

Having done that, we can move into the second step called “examine”.

Issue & Change Management Procedure – Part 3

Our objective now is to determine exactly what the issue is about.

It involves asking questions to find out the effect of the issue on the plans, business case and risks. If it is a request for change, exactly what will change and are any other products affected.

The severity of the problem and the priority of the change must be decided.

Having this information to hand helps to make sure we understand what we can do about the situation.

The next step is called “propose” and we are now looking for solutions to the problem or ways to implement the change. Each option should be evaluated and again we consider the time and cost involved, the effect on the plans, the effect on the business case and of course what risks does the solution raise, or remove.

The costs and risks of each option are weighed against the benefits and the best solution is recommended to the change authority or project board.

Let’s move on now and discuss the change authority and what happens next.

Issue & Change Management Procedure – Part 3

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The costs and risks of each option are weighed against the benefits and the best solution is recommended to the change authority or project board.

Let’s move on now and discuss the change authority and what happens next.

Issue & Change Management Procedure – Part 4

The change authority is the person or group who are responsible for accepting a request for change or otherwise.

By default, the responsibility lies with the project board but it’s usual for some of this responsibility to be delegated, perhaps to the project manager or project assurance.

Each person usually has a different level of authority depending on where they sit in the project hierarchy.
The change authority should have a budget set and they are able to authorize change within their limits of authority and allocate the budget accordingly.

We decide whether to establish a change authority in the initiation stage when we are preparing the change management approach.

The change authority receives a copy of the issue report which contains the recommendation in the “decide” step and decides whether to implement the change or not.

Remember that we have updated the issue report at each step of the process.

If the solution to the issue causes an exception situation, or the issue started because of an exception situation then the matter is referred to the project board and an exception report is prepared as well as an issue report.

Issue & Change Management Procedure – Part 5

The final stage of the procedure is called “implement”.

If the change authority or project board have decided not to implement the change then the originator of the issue should be informed, and the issue closed.

If they decide that it is a valid request but isn’t urgent they may decide to defer, perhaps until after the project has completed when it will become a follow up action recommendation.

If the request is agreed then the changes may be able to be implemented by taking corrective action, updating, or creating new work packages and authorizing the work.

If you are in an exception situation then the project board may request an exception plan, or in extreme cases direct the project to be closed prematurely.

Whatever the outcome the issue report and issue register are updated and don’t forget to tell the originator what has happened.

Summary

This brings us to the end of this session on change. We have considered the five steps of the change management procedure and the minimum requirements for a PRINCE2® project.

You should now be able to:

- Describe three types of issue
- Explain the purpose of the change budget
- Explain the steps in the issue and change control procedure
- and finally, describe the purpose of the related management products

This concludes this session.

Session 11: SU / IP

SU – IP Overview

Welcome to the session on starting up a project or SU and initiating a project which we call IP.

You can think of these two processes as firstly having a quick look at the project in SU and then having a detailed look at it in IP.

The purpose of SU is answer the question "do we have a viable and worthwhile project?" before we start IP and the purpose of IP is establish solid foundations for the work, so we fully understand the work that needs to be done to deliver the project before we commit to a significant spend.

By the end of this session you should be able to:

- Describe the purpose, objectives, and context of SU and
- Describe the purpose, objectives, and context of IP.

The whole process starts when the corporate body or the programme issues a project mandate.

This is the trigger to make a start on the project and should contain the terms of reference for the project, and nominate the executive.

The amount of information in the mandate will depend on what has happened already. If there has been a feasibility study the mandate will contain lots of information.

On the other hand, it may just be an idea of the management team and you will have to establish much more information in SU.

However, we have got here our objective to develop the project mandate into a project brief which we can take to the project board for approval and then take it forward into IP and develop it into the project initiation documentation or PID.

You can think of the project mandate as small envelope containing some information about the project.

At the end of SU, we will have developed that into a bigger set of documents which we put in a larger envelope called the project brief, and at the end of IP we will have developed the documentation further and need a box to put it in which we call the PID.

SU – Detail Part 1

Let's take a more detailed look at SU.

The executive firstly appoints the project manager, or PM, and then between them they have a number of activities to complete.

The PM immediately opens his or her daily log. Whilst there is a suggested outline for this document it is essentially a diary of events, things to do and a record of informal issues that the project manager keeps updated throughout the project, usually on a daily basis.

It forms an excellent reference document and could be kept in paper form or perhaps on an iPad? One point to note is that if we identify any risks or issues in SU the PM will record them in the daily log and if the project proceeds will enter them into the appropriate register during IP.

Although PRINCE2® is a process driven model the processes do not follow a defined order, despite the arrows shown between the activities in the manual. Some activities naturally follow each other but some will be done as and when time permits.

SU - Detail Part 2

One of the first things to do in SU is to start designing the team. In some cases, this will be fairly obvious who should take which role, in other projects the choices may not be as clear.

One thing that will help is to define the project's scope as this will indicate the users' requirements and give an indication of the skills required.

We do this in the activity 'prepare the outline business case' when we establish the project product description and at the same time we can establish the outline business case which contains at least the reasons for doing the project and our recommended business option.

This information gives us enough detail to start expanding the team and in turn they may help to further identify the scope of the project.

We must also look at previous projects and capture any lessons from previous projects. Lessons relate to good practice that we want to embrace in our project and also problems that occurred before that we wish to avoid this time.

We record these in the lessons log which is maintained throughout the project and provides the information we need so we can prepare lessons reports at the end of each stage and at the end of the project.

SU – Detail Part 3

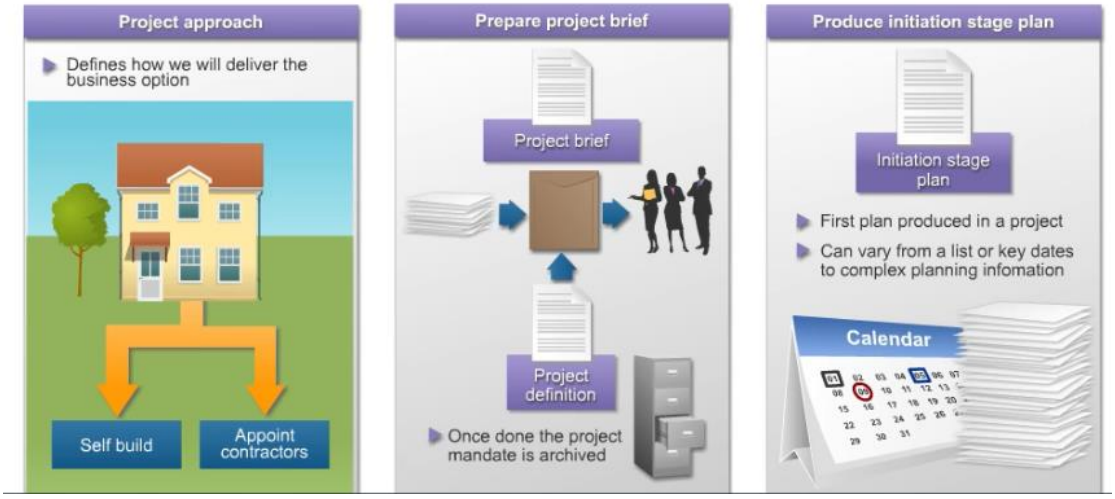
So, with our team designed and appointed, the outline business case and project product description ready to go we must select the project approach.

The approach defines how we are going to deliver the business option stated in the outline business case.

For example, if we have decided to extend our house then the approach may be to build it ourselves, or get a contractor to do it for us.

The project brief is assembled next, in other words we put all the things we have prepared into the large envelope ready to take to the project board for approval. This also includes the project definition. Once this is completed we will archive the project mandate.

Before we go to see the project board we must prepare a plan for the initiation stage.



The initiation stage plan is the first plan produced in a project and depending on the complexity of the project and the length of the initiation stage can vary from a list of key dates to a complex set of planning information.

For example, it may simply be something like we'll meet on Monday to plan the project, get everything written up for Friday and see the board the week after, whereas for a large project with twenty staff and a four-month initiation stage the plan may be complex and contain a significant amount of detail.

IP – Detail Part 1

So now that the project board have approved the project brief we can get on with having a detailed look at the project.

Basically, we will take everything we did in SU and develop it further in IP. We will answer the standard questions of what, why, when, how, where, who, how much, what if and how good?

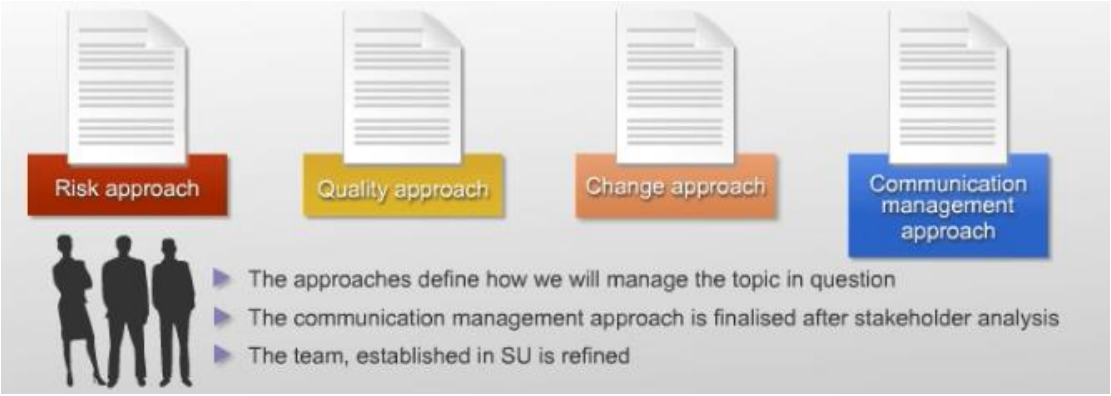
It contains nine activities, concluding with Assembling the PID. A good start will be to open the box we are calling the PID so that we can out the various documents into it as we proceed.

One thing to be clear about before we do much more work is to agree the way in which we propose to tailor the use of PRINCE2® in the project. The proposals for tailoring are included in the PID as part of the controls section.

Once that's completed we can establish our approaches for risk, quality, change and communication management.

As we establish the approaches we will open the risk, issue, and quality registers and if we identified risks or issues during SU we will transfer them from the daily log to the relevant register.

All the approaches define how we will manage the topic in question.

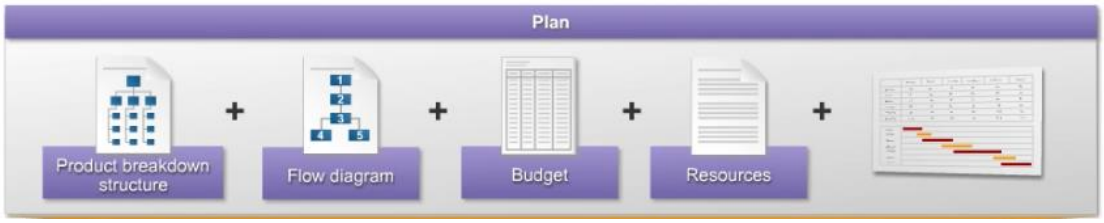


The communication management strategy is finalised when we finish our stakeholder analysis. We will review the project management team we established in SU and refine it as we find out more about the project.

IP – Detail Part 2

Once the strategies are established we can plan the project. Don't forget that a plan is not just a Gantt chart it contains lots more information such as the product breakdown structure and flow diagram, budgets, resources, schedules and so forth.

The plan will lead us to defining the stages for the project and help us decide the level of control, the frequency of reports and any meetings we will have with the teams.



Every time we update the project plan the next activity will be associated with the business case as we will need to update it with the latest time and cost information from the project plan and update the investment appraisal.

As this is IP and we may only have an outline business case we might have quite a lot of work to do here to develop the full business case for the project.

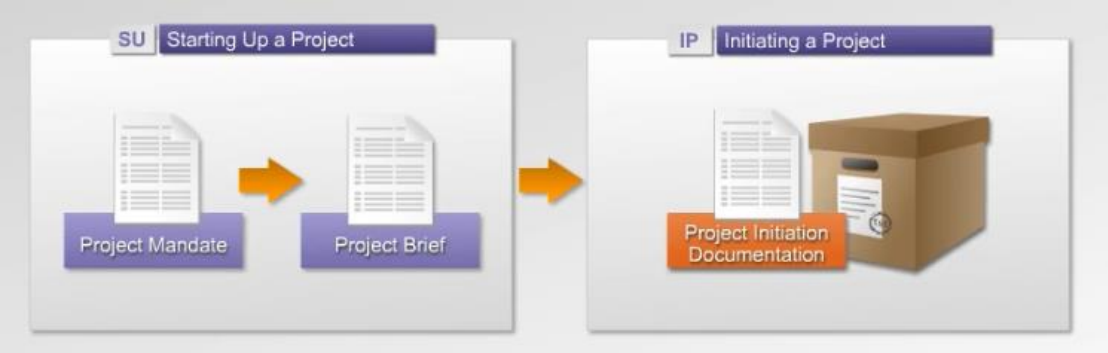
At the same time, the PM will produce the benefits management approach that documents all the information relating to benefits realization and measurement.

Finally, as we assemble the PID we also need to use the managing a stage boundary process to plan the next stage of the project.

When that's all completed we will present the PID, the benefits management approach and the next stage plan to the project board for approval.

Summary

This brings us to the end of session 11. We have discussed the development of the project mandate into a project brief using the SU process and seen how the brief is further developed into a PID in IP.



The PID is kept under version control and will be updated throughout the project as things change and develop.

You should now be able to:

- Describe the purpose, objectives, and context of SU and
- Describe the purpose, objectives, and context of IP.

This concludes session 11.

Session 12: CS / MP

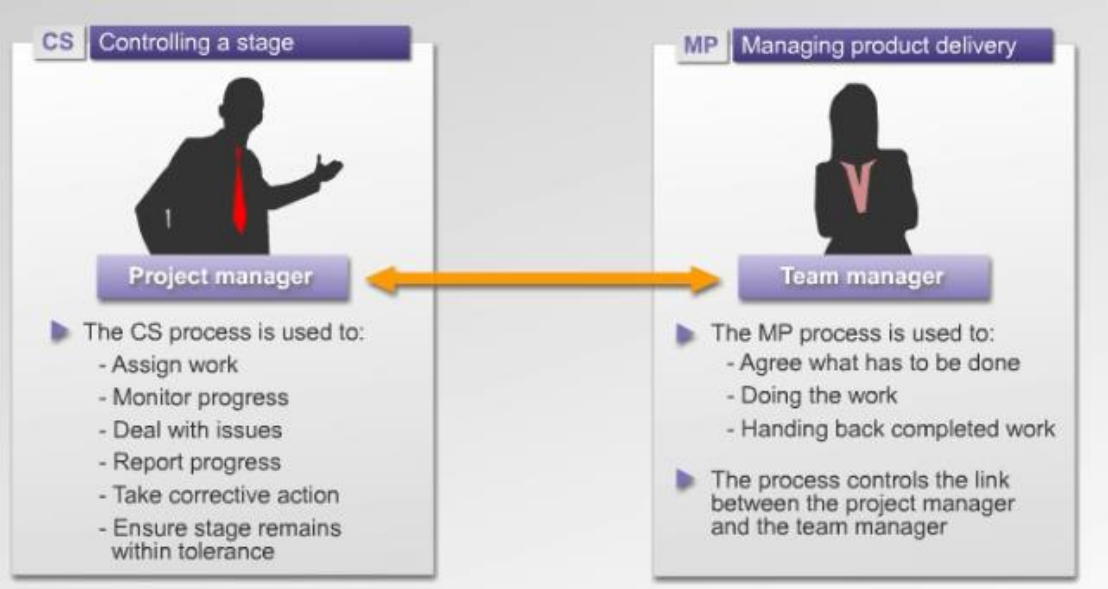
Introduction

Welcome to this session on controlling a stage or CS and managing product delivery which we call MP.

These processes form the bulk of the work for a project manager and a team manager.

CS is the project manager's process and is used to assign work, monitor its progress, deal with issues, report progress to the project board and take corrective actions to ensure the stage remains within tolerance.

The team manager uses the MP process to agree what has to be done, doing the work itself and handing back when it's completed. The process controls the link between the project manager and the team manager.



By the end of this session you should be able to:

- Describe the purpose, objectives, and context of CS and
- Describe the purpose, objectives, and context of MP.

CS / MP – Getting the work done Part 1

The CS process splits neatly into three areas.

These are work, monitoring and control and lastly dealing with issues.

We'll consider each one in turn and link it into the MP process.

Imagine that we have just had approval from the project board for the work in the next stage to start.

Let's assume that I am the project manager and you are the team manager.

Remember that we already have the plan for the stage and you have contributed to the stage plan, so we should be able to get some work packages started straightaway.

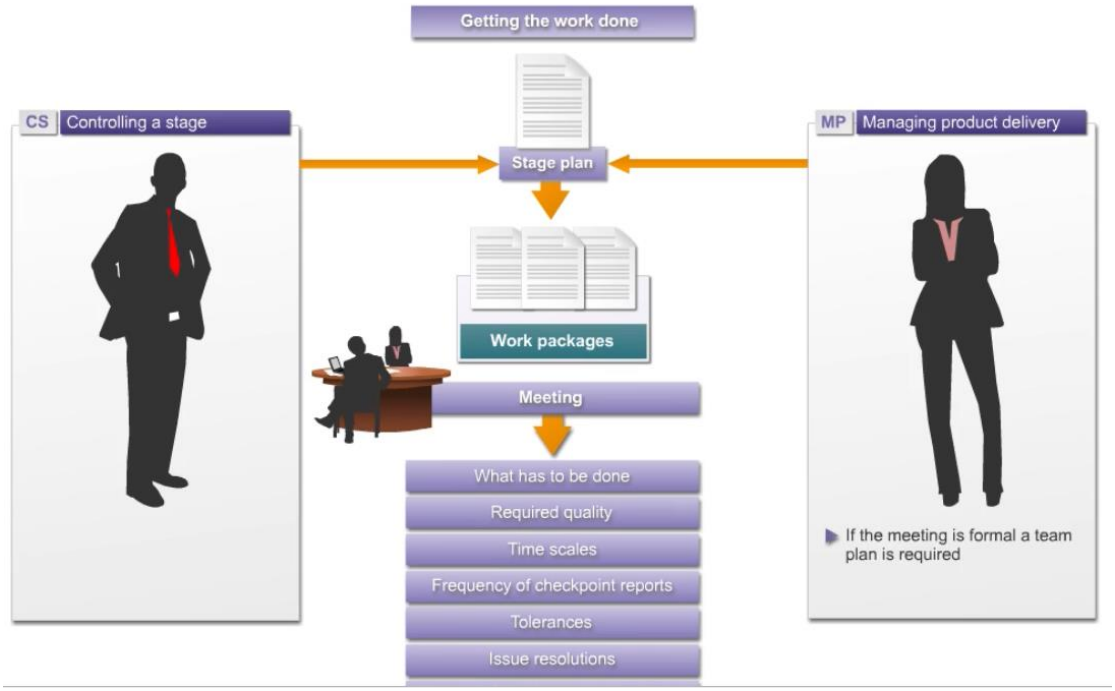
We need to get together to agree what has to be done and the quality required, which will be noted in the product description, how long you have to do the work, the frequency of checkpoint reports, any tolerances, how we'll handle any problems and finally how you will tell me you've finished.

This could be a very formal meeting and I may ask you for a team plan in which case I'd need to give you notice.

On the other hand, it may be a quick chat because we work together all the time and there is much less need for a formal meeting.

As I authorize the work package in CS you will accept it in MP.

Now it's over to you to do the work.



CS / MP – Getting the Work Done Part 2

As a team manager before I start the work I may produce a team plan, or I may just allocate work to my team.

They will execute the work package and whilst they are doing the work they will do the quality checks in line with the plan and the procedures set down in the quality management approach.

We will update the quality register with the results and once the product is approved I will send it off the appropriate authority, so it can be baselined.

While all this is going on I will send the project manager a checkpoint report at the frequency stated in the work package. Once I've completed the work package I'll deliver it to the project manager.

The project manager will check that I've completed the quality register and make sure that the configuration management system is up to date and then sign off the work package.

This concludes our discussions on MP and the first part of CS. We'll move on to consider monitoring and control.

CS – Monitoring and Control

Let's consider the monitoring and control aspects of CS.

When the team manager sends a checkpoint report through, the project manager reviews it and updates the stage plan with the actual progress made to date and amends the schedule in line with the forecasts.

Of course, it's highly unlikely that the actual progress will reflect the plan on every occasion but as long as the variance is within tolerance, that's acceptable.

There may be minor problems that require consultation with other team members and tasks across the schedule may require amending. We call this "taking corrective action".

As well as looking at the status of the work package it's very important that we review the bigger picture across the stage to make sure we haven't missed anything.

We call this activity "review the management stage status".
Finally, we'll need to let the project board know what's happening and we do this using a highlight report which is issued at the frequency agreed with the board.

We also check the communication management approach to see if any other stakeholders should receive a copy.

This concludes our consideration of the monitoring control aspects of CS. We'll move on now to consider issue management.

CS – Issue Management

During any project, it is inevitable that issues and risks will arise.

These are captured and examined in the CS process.

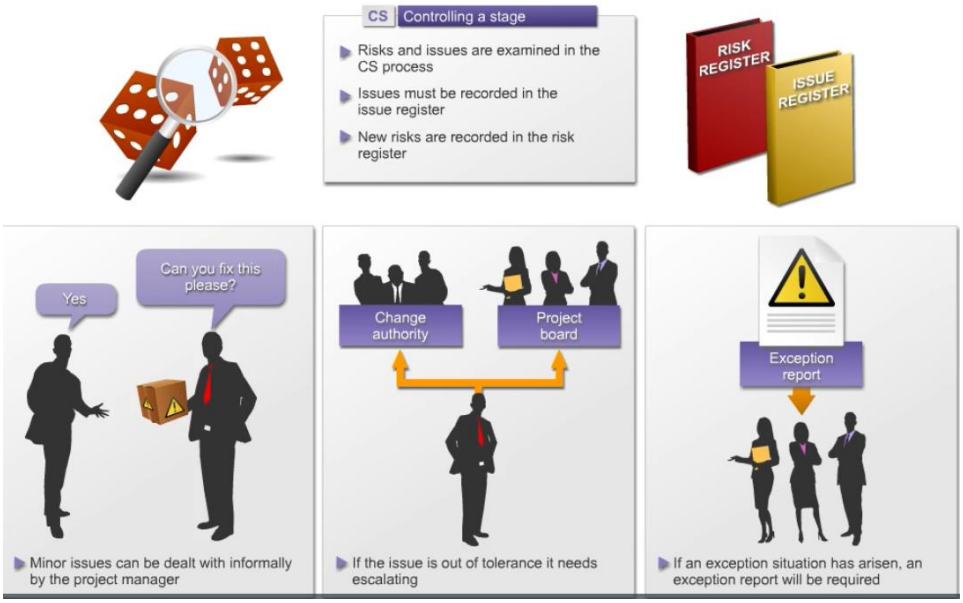
Some issues will be dealt with informally, but others will require a formal approach and must be recorded in the issue register and then examined in more detail.

If the issue is within tolerance then the project manager may just take corrective action, otherwise the issue will require escalating to either the change authority or the project board.

If an exception situation has arisen, then an exception report will be required for the project board.

New risks are recorded in the risk register and assessed in the normal manner.

There may be times when the project board has to be consulted about the appropriate mitigating action.



Summary

This brings us to the end of session 12. We have discussed the activities used by the project manager and the team manager to authorise the work, monitor, and control its progress and we concluded with a review of the activities associated with issue management.

You should now be able to:

- Describe the purpose, objectives, and context of CS and
- Describe the purpose, objectives, and context of MP.

This concludes session 12.

Session 13: Processes DP, SB, and CP

Introduction

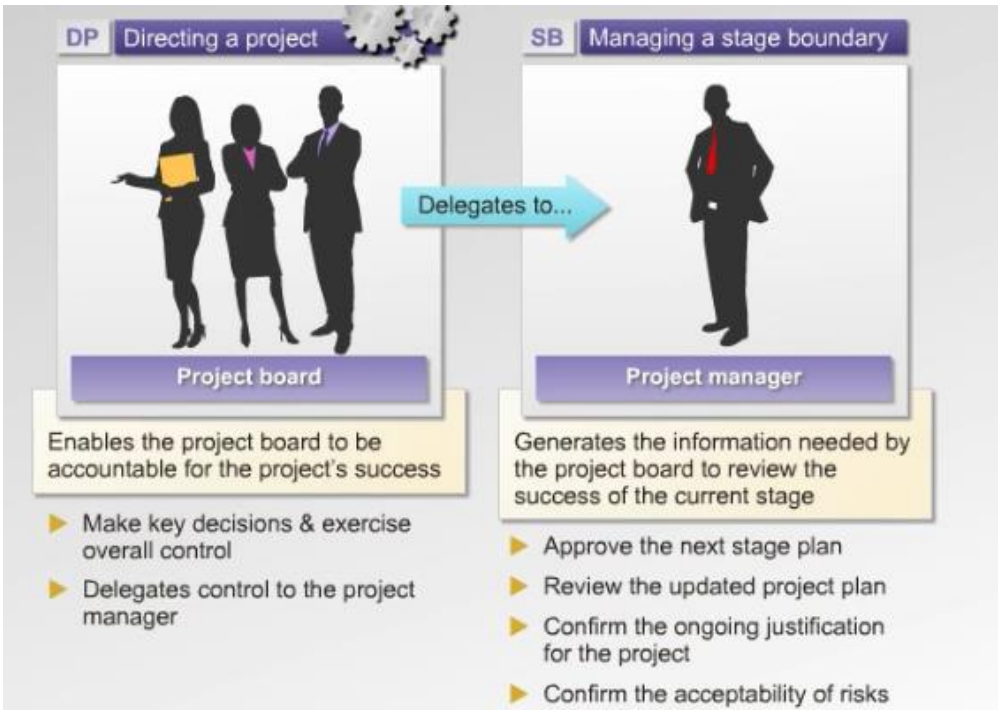
Welcome to this session on directing a project or DP which enables the project board to be accountable for the project's success by making key decisions and exercising overall control while delegating control to the project manager.

When we've considered DP, we will move on to consider managing a stage boundary or SB and closing a project or CP.

The project manager uses SB to generate the information required by the project board to review the success of the current stage, approve the next stage plan, review the updated project plan, and confirm the ongoing justification for the project and the acceptability of risks.

Sometimes projects don't go as planned and an exception plan is required. This is prepared in the SB process.

Finally, we'll conclude with a review of the CP which provides a fixed point where acceptance of the project's product is confirmed and to recognize that the objectives set out in the PID have been achieved, including any authorized changes, or the project has nothing left to contribute.



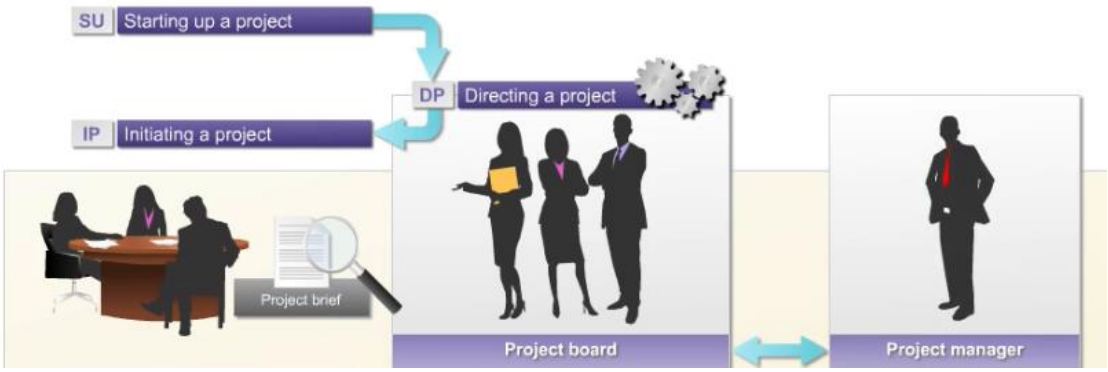
By the end of this session you should be able to:

- Describe the purpose, objectives and context of DP, SB, and CP.

Directing a Project

Let's start with DP. This process belongs to the project board and the first activity starts at the meeting to authorize the initiation of the project at the end of SU and the before the start of IP.

Here the board review the project brief and the plan for the initiation stage and agree that the project should proceed or otherwise.



At the same time, a most important activity called "give ad hoc direction" starts and continues for the duration of the project. This activity gives the board chance to receive information from the project manager and to provide advice and guidance on the way ahead.

The remaining three activities are concerned with authorizing the project at the end of the initiation stage, authorizing the stage plan for the next stage (or the exception plan if tolerance is forecast to be exceeded and an exception plan has been requested) and finally, authorizing project closure at the end of the project in response to the information provided at the end of the CP process.

DP enables the project board to make the decisions necessary to continue or stop the project, making sure at all times that there is a continued business justification.

Let's move on now to consider SB in more detail.

Managing a Stage Boundary – Usual Course of Events

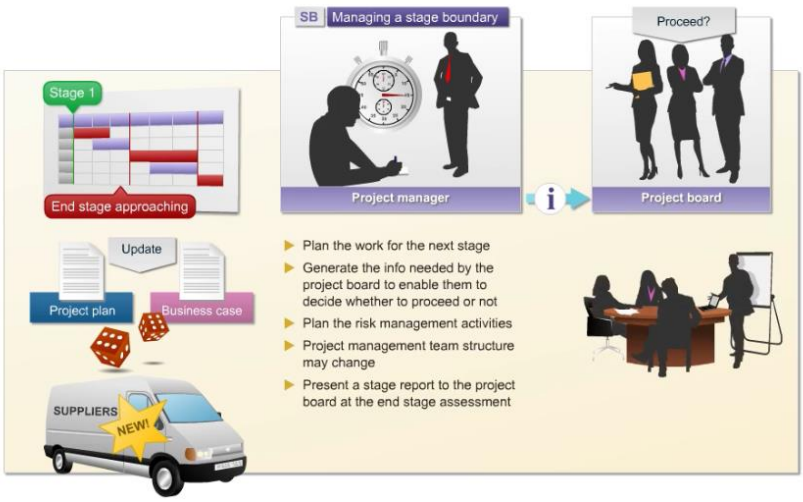
SB, or managing a stage boundary is the process that the project manager uses towards the end of a stage to plan the work for the next stage and generate the information needed by the project board to enable them to decide whether to proceed or not.

Although PRINCE2® doesn't specify when SB should be started, remember to allow enough time to plan the work and get commitment from all concerned before presenting the plan to the project board.

The first step is to plan the work for the next stage which leads to an update of the project plan and because that will change the business case will be updated.

Included within the planning are the risk management activities associated with the plan and it is also a time when lessons can be applied, and generated.

Finally, it is a time when the project management team structure may change particularly in the supplier side where new teams may be brought on board to do different aspects of the work.



Armed with this information the project manager can write a report about the stage that's completing and the recommendations for the future which she or he will present to the project board at and end stage assessment.

Managing a Stage Boundary – an Exception Situation

If a deviation from the tolerance at either, stage or project level, is forecast the project manager will send an exception report to the project board recommending a course of action, one of which may be to create and exception plan.

If the board agree with this, they ask the project manager to prepare an exception plan.

The project manager uses the SB process to effectively force a stage boundary, prepare the plan at the appropriate level, either stage or project, updates the project plan and business case and also prepares an end stage report.

The exception plan and end stage report are presented to the project board for approval at an exception assessment. The exception assessment and the end stage assessment both use the same DP process which is called “authorize a stage or exception plan”. Let’s move on now to consider the work of CP or closing a project.

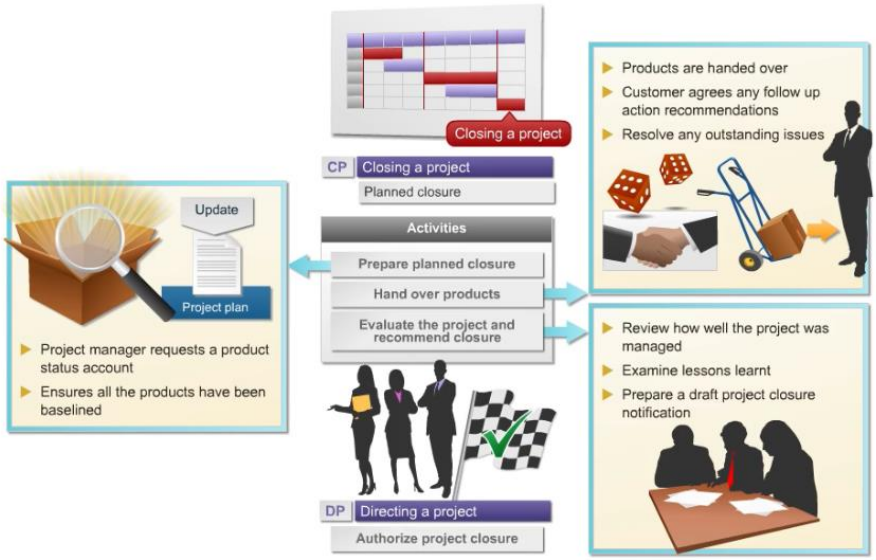
Closing a Project – A Planned Closure

CP takes place during the final stage of the project. Remember it is not a stage in its own right! Assuming that the project finishes normally, at some point during the final stage of the project it will be time to prepare for closure.

This involves four activities starting with “prepare planned closure”. Here the project manager checks that everything has been completed by requesting a product status account and makes sure all the products have been baselined.

The project plan is updated and then the products are handed over in the activity “hand over products”. The customer accepts the products and agrees any follow up action recommendations. These may be small items of work that require a little attention.

There may also be some outstanding issues, for example, change requests that were put on the pending pile or risks that the business needs to manage going forward. Then we can evaluate the project to review how well we managed and what lessons we can learn and finally we prepare a draft project closure notification and recommend to the project board that the project is closed.



Assuming the project board agree they will authorize project closure in their DP process.

Closing a Project – Premature Closure

There may be times when for one reason or another the project board decide to close the project early.

This normally happens because the environment has changed considerably, and the project is no longer viable.

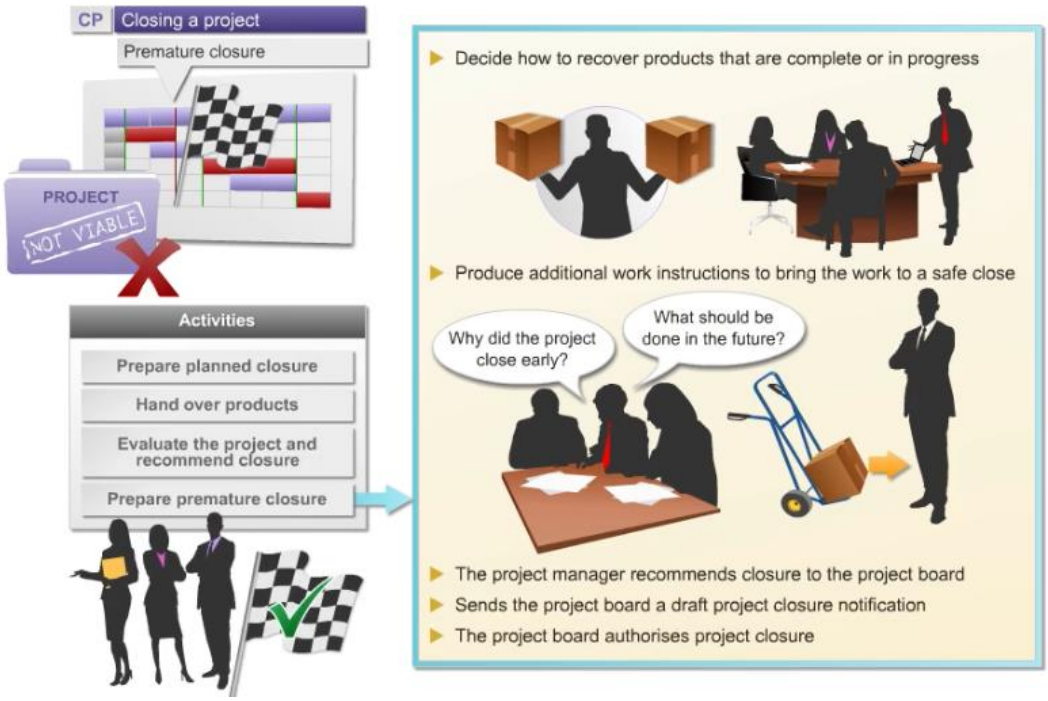
In this case the project manager enters the activity" prepare premature closure".

The work is similar to that of "preparing planned closure" with the additional consideration of deciding how to recover products that are complete or in progress.

This may mean discussing the situation with the project board and then producing additional work instructions to bring the work to a safe close, or finalising payments and taking delivery of completed products for example.

After this is completed the products are handed over and the project evaluated, this time the emphasis is in understanding why the project closed early and what should be done in the future.

The project manager recommends closure to the board and sends them a draft project closure notification as before and the project board finally authorize project closure.



Summary

This brings us to the end of session 13. We have discussed the way in which the project board make decisions in DP, followed by the way in which the project manager generates much of the information required by the project board to make these decisions in the SB process.

We concluded with a review of planned and premature closure in the CP process.

You should now be able to:

- Describe the purpose, objectives and context of DP, SB, and CP.

This concludes session 13

Session 14: Summary

Introduction

Welcome to the final summary session of this course.

By now you should have reviewed all the sessions and be familiar with the principles, themes and processes that make up the PRINCE2® guidance.

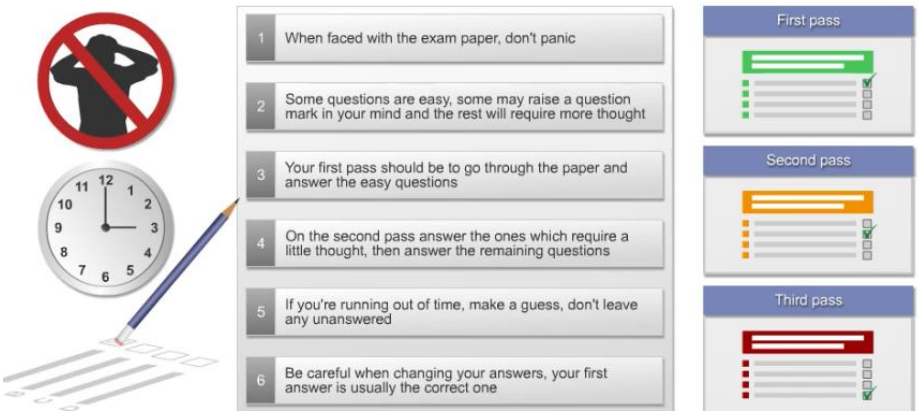
It is now time to think about taking your exam.

Firstly, the objective of the PRINCE2® Foundation examination is to enable you to demonstrate an understanding of the PRINCE2® principles, processes, themes, techniques, and roles.

The Foundation examination uses objective test questions, which require you to choose a response to a question from a set of choices, for which the correct answer is predetermined.

In the following pages, we are going explain the format of the question papers, and the different styles of question asked. There are also some suggestions on how to approach answering the various styles of question.

Exam Tips



We have helped many thousands of students take their Foundation exams, and there are some tips that we have learnt along the way.

When faced with the exam paper, do not panic, or worry, just relax, and follow our suggested approach.

Generally, questions are divided into those that are easy, those that seem easy but raise a question mark in your mind, and those that are more difficult to do without some thought.

Your first pass should be to go through the paper and mark all those questions that you know the answer to, any hesitation then move on to the next question.

Once you have completed the first pass, then concentrate on those questions that require a little more thought, and then finally the harder questions. This way you will ensure you should have a good start towards your exam score, if you should run out of time.

Keep an eye on the time, and even if you are unable to answer all the questions, then do your best to guess, as you shouldn't leave any questions unanswered.

Finally, in our experience the first answer is usually the right one, beware if you finish before the time is completed, of changing some of your answers unless you are absolutely sure. We have seen many candidates go from a pass mark to a fail, because they changed their answers at the last minute.

Examination Objectives

The qualification is to confirm that you have sufficient knowledge and understanding of the PRINCE2® method to be able to work effectively with, or as a member of, a project management team working within an environment supporting PRINCE2®.

So as a candidate you are proving that you understand the structure and key terminology of the PRINCE2® method.

You also need to show an understanding of the characteristics and context of a project and the benefits of adopting PRINCE2®, the purpose of the PRINCE2® roles, management products and themes and the PRINCE2® principles.

Finally, you need to demonstrate knowledge of the purpose, objectives, and context of the PRINCE2® processes. It's also worth confirming that the Foundation qualification is also a pre-requisite for the Practitioner qualification.

We'll move on now to explain the format of the question papers, and the different styles of question asked. We'll also give you some suggestions on how to approach answering the various styles of question.

Exam Paper

The examination paper itself consists of a Question Booklet, which contains 60 questions which cover all areas of the PRINCE2® Foundation syllabus.

Each question is worth 1 mark. The pass mark for the exam is 33 marks, and you are expected to answer all questions.

You will be supplied with an answer sheet on which your answers must be given. There will only ever be **one answer** to each question.

If more than one answer is given in the answer sheet the response line will be void and will attract no marks, however marks are not subtracted for incorrect answers.

Test Styles

There are a number of different test styles used within the paper and they are based on the selection of the correct answer from a choice of 4 options.

The test styles are Standard, of which there will be between 50 and 52 in a paper:

- Negative, of which there will be a maximum of 2 in any one paper
- Missing Word
- And List of which there will be 4 in any one paper

Standard	What levels of plan are recommended by PRINCE2?
Negative	Which is NOT a characteristic of a project?
Missing word	Identify the missing words in the following sentence. A purpose of the managing a stage boundary process is to provide the project board with sufficient information so that it can approve the [?] for the next stage.
List	Which of the following are a purpose of an issue report? 1. Document an off-specification 2. Record an issue's resolution 3. Capture all problems or concerns within the project 4. Capture recommendations for handling a request for change a) 1, 2, 3 b) 1, 2, 4 c) 1, 3, 4 d) 2, 3, 4

The examination is 60 minutes in duration, and you must manage your time if you are to complete all the questions. All 60 questions should be attempted and If you wish to write your answers on the question paper first, you must be aware of the additional time needed to complete the answer sheet.

Don't forget only answers submitted on the answer sheet provided will contribute to the result. It's also worth mentioning that you're not allowed to take any support material in the exam with you, this is a closed book exam.

If you have any other questions about the exam, please feel free to email or call us directly.