PRINCE2® Foundation

(PR2-213 v3.02)

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Online Registration Instructions

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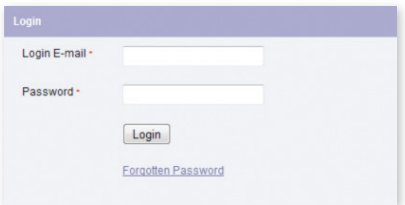
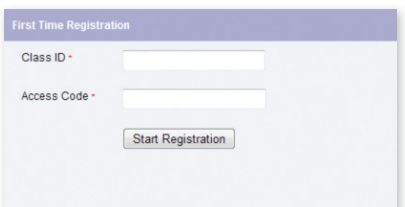
Go to www.student-registration.com. If you have previously registered, please log into your account using the left area of the screen that says "Login" and register for this course and/or exam using the codes provided to you by your instructor.



If this is your first time registering, please register using the right area of the screen that says "First Time Registration" using the codes provided to you by your instructor.



When you register for the first time, you will have to enter some personal details. This information will be saved for future use and can be edited. Once you have entered all necessary information in this screen, click "Register Now" at the bottom of the page.

Once registered, you can edit your profile, access your previous courses and/or exams register for a new course and/or exam, and view your previous registrations by entering your login information by using the left area of the screen that says "Login."

Thank you for registering. Have a great class!

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Attendees of this course earn Professional Development Units (PDUs) granted by the Project Management Institute (PMI®) in order to maintain their status as certified Project Management Professional (PMP).

Please ask your instructor for the applicable Registered Education Provider (R.E.P.) ID and Course code in order to be able to claim your PDUs after completing your course.

If you are interested to learn more about this program, please log onto: http://www.pmi.org/

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Agenda Timetable

PRINCE2® Foundation (PR2-213 v3.02)

Time	Day 1	Day 2	Day 3
9:00 a.m	Course Introduction	Day 1 Review	Day 1 & 2 Review
9:15 a.m			
(P9:30 a.m	PRINCE2® Overview	Initiating a Project (continued)	Controlling a Stage and Managing Product Delivery (Process)
9:45 a.m			
10:00 a.m			
10:15 a.m		Product Based Planning	
10:30 a.m	Break	Break	Break
10:45 a.m	PRINCE2® Overview	Product Based Planning	Managing Stage Boundaries
11:00 a.m		Activity 4: Product Based Planning	
11:15 a.m	Organization (Theme)		Activity 7 & 8 : End Stage and Exceptions
11:30 a.m		Plans (Theme)	
11:45 a.m			Closing a Project (Process
12:00 p.m		Progress (Theme)	
12:15 p.m	Activity 1 : Organization		Tailoring
12:30 p.m			
12:45 p.m	Lunch	Lunch	Lunch
1:00 p.m			
1:15 p.m			
1:30 p.m	Starting Up a Project (Process)	Activity 5: Progress	**Extended Programme**
1:45 p.m			
2:00 p.m		Risk (Theme)	Recap all materials
2:15 p.m	Business Case (Theme)		
2:30 p.m			Run through sample questions / self study
2:45 p.m	Activity 2: Outline Business Case & Project Brief	Activity 6: Risk & PID	
3:00 p.m			
3:15 p.m	Break	Break	Break
3:30 p.m	Directing a Project (Process)	Change (Theme)	Prepare for exam
3:45 p.m			Foundation Exam
4:00 p.m	Activity 3: Directing a Project		
4:15 p.m	Initiating A Project - Strategies (Process)	Quality (Theme)	
4:30 p.m			
4:45 p.m			
5:00 p.m	Finish, discuss homework	Finish, discuss homework	Finish, evaluate

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Instructor Notes

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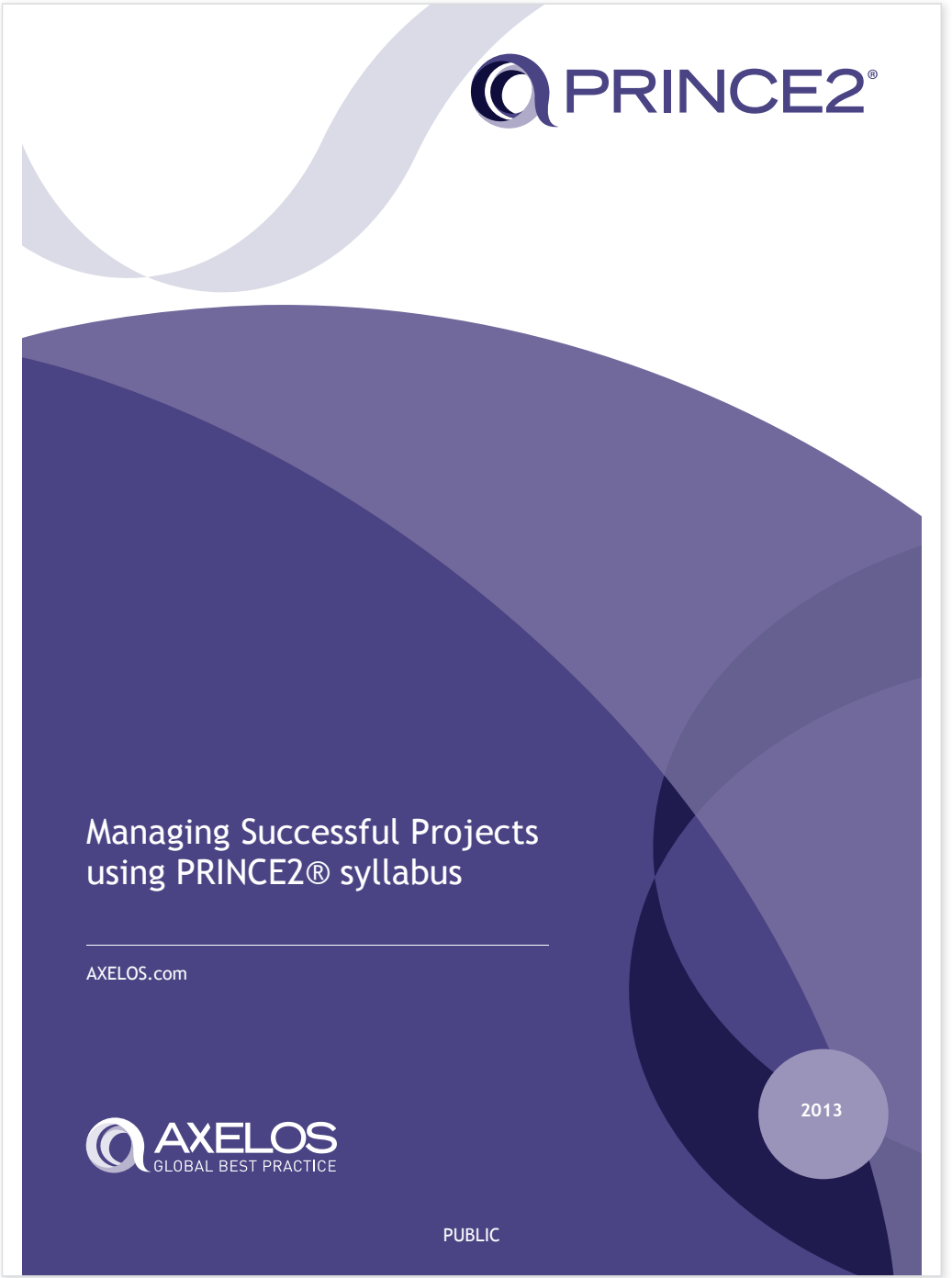
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1 Introduction

The Managing Successful Projects with PRINCE2 manual provides guidance on the principles, processes and themes to use to manage projects in any environment.

This syllabus is based on the Managing Successful Projects with PRINCE2 manual issued in June 2009 by OGC and TSO. It reflects both the Foundation and Practitioner levels of examination.

The primary purpose of the syllabus is to provide a basis for accreditation of people involved with PRINCE2. It documents the learning outcomes related to use of PRINCE2 and describes the requirements a candidate is expected to meet to demonstrate that these learning outcomes have been achieved at each qualification level.

The target audience for this document is:

- Exam Board
- Exam Panel
- Accredited Training Organizations

This syllabus informs the design of the exams and provides accredited training organizations with a more detailed breakdown of what the exams will assess. Details of the exam structure and content are documented in the PRINCE2 Foundation and Practitioner Exam Designs.

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2 Foundation Qualification

2.1 PURPOSE OF THE FOUNDATION QUALIFICATION

The purpose of the Foundation qualification is to confirm that a candidate has 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. The Foundation qualification is also a pre-requisite for the Practitioner qualification.

2.2 TARGET AUDIENCE

This qualification is aimed at project managers and aspiring project managers. It is also relevant to other key staff involved in the design, development and delivery of projects, including: Project Board members (e.g. Senior Responsible Owners), Team Managers (e.g. Product Delivery Managers), Project Assurance (e.g. Business Change Analysts), Project Support (e.g. Project and Programme Office personnel) and operational line managers/staff.

2.3 HIGH LEVEL PERFORMANCE DEFINITION OF A SUCCESSFUL CANDIDATE

A candidate should understand the structure and key terminology of the method. Specifically the candidate should understand:

- The characteristics and context of a project and the benefits of adopting PRINCE2
- The purpose of the PRINCE2 roles, management products and themes
- The PRINCE2 principles
- The purpose, objectives and context of the PRINCE2 processes.

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3 Practitioner Qualification

3.1 PURPOSE OF THE PRACTITIONER QUALIFICATION

The purpose of the Practitioner qualification is to confirm whether the candidate has achieved sufficient understanding of how to apply and tailor PRINCE2 in a scenario situation. A successful Practitioner candidate should, with suitable direction, be able to start applying the method to a real project but may not be sufficiently skilled to do this appropriately for all situations. Their individual project management expertise, complexity of the project and the support provided for the use of PRINCE2 in their work environment will all be factors that impact what the Practitioner can achieve.

3.2 TARGET AUDIENCE

This qualification is aimed at project managers and aspiring project managers. It is also relevant to other key staff involved in the design, development and delivery of projects, including: Project Board members (e.g. Senior Responsible Owners), Team Managers (e.g. Product Delivery Managers), Project Assurance (e.g. Business Change Analysts), Project Support (e.g. Project and Programme Office personnel) and operational line managers/staff.

3.3 HIGH LEVEL PERFORMANCE DEFINITION OF A SUCCESSFUL CANDIDATE

Candidates should be able to apply and understand how to tailor PRINCE2 effectively to a project within an organization environment supporting PRINCE2. Specifically candidates should:

- Understand the relationships between the roles, management products, principles, themes, techniques and processes
- Be able to apply the principles, themes and processes to a project
- Be able to create and assess management products.

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4 Learning Outcomes Assessment Model

A classification widely used when designing assessments for certification and education is the Bloom's Taxonomy of Educational Objectives. This classifies learning objectives into six ascending learning levels, each defining a higher degree of competencies and skills. (Bloom et al, 1956, Taxonomy of Educational Objectives).

AXELOS Limited have adapted this into a four-step variation of the Bloom's model -The AXELOS Limited Learning Outcomes Assessment Model which defines the standard for each qualification's Learning Outcome Assessment Model. The Model is used as a basis for classifying learning outcomes when developing exam qualification schemes and syllabi.

This structured approach helps to ensure:

- There is a clear delineation in learning level content between different qualification levels
- Learning outcomes are documented consistently across different manual areas
- Exam questions and papers are pitched appropriately and consistently f or each of the learning levels.

4.1 PRINCE2 LEARNING OUTCOME ASSESSMENT MODEL

For PRINCE2 the f our levels of learning outcomes are shown below. These learning outcomes are independent of the method used to assess whether a qualification level has been achieved.

	1.Knowledge	2. Comprehension	3. Application	4. Analysis
Generic Definition from AXELOS Limited Learning Outcomes Assessment Model	Know key f acts, terms and concepts from the manual/guidance	Understand key concepts from the manual/guidance	Be able to apply key concepts relating to the syllabus area f or a given scenario	Be able to identify, analyse and distinguish between appropriate and inappropriate use of the method/guidance f or a given scenario situation
PRINCE2 Learning Outcome Assessment Model	Know facts, including terms, concepts, principles, themes, processes, and responsibilities from the guidance.	Understand the principles, processes, themes, the project's environment and roles and can explain how these are applied on/are involved with a project.	Be able to: (i) Use the themes appropriately; (ii) Create the management products; (iii) Tailor the processes and themes appropriately for a given project scenario.	Be able identify, analyse and distinguish between appropriate and inappropriate use of the method through appraisal of completed products and planned or completed project events f or a given project scenario.

Table 4.1 PRINCE2 Learning Outcomes Assessment Model

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5 Syllabus Presentation

For each of the above learning levels, the syllabus defines the individual learning outcomes required for the qualification. Each learning outcome is then supported by a description of the requirements that a candidate is expected to meet to demonstrate that the learning outcome has been achieved at the qualification level indicated. These are shown as syllabus topics.

All Foundation level requirements are assumed to have been met f or Practitioner level and are not directly assessed again, although Foundation level know ledge and understanding will be used when demonstrating Practitioner application and analysis learning outcomes.

Each of the subject areas is presented in a similar format as follows:

1. Syllabus area	Unit of learning, e.g. chapter of the manual.
2. Learning Outcome (topic header shown in bold)	A statement of what a candidate will be expected to know, Understand or do.
3. Level	Classification of the learning outcome against the AXELOS Limited Learning Outcomes Assessment Model.
4. Topic	Description of what is required of the candidate to demonstrate that a learning outcome has been achieved at the qualification level indicated.

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6 Syllabus Areas

Syllabus Area Code	Syllabus Area Title
OV	Overview, Principles and Tailoring PRINCE2 to the project environment
BC	Business Case theme
OR	Organization theme
QU	Quality theme
PL	Plans theme
RK	Risk theme
CH	Change theme
PG	Progress theme
SU	Starting up a Project process
DP	Directing a Project process
IP	Initiating a Project process
SB	Managing a Stage Boundary process
CS	Controlling a Stage process
MP	Managing Product Delivery process
CP	Closing a Project process

Table 6.1 Syllabus areas

With the exception of the quality review technique, the examples and techniques shown in shaded boxes throughout the PRINCE2 manual are not examined

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Syllabus Area Code OV		Syllabus Area : Overview, Principles and Tailoring PRINCE2 to the Project Environment	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relating to the overview, principles and tailoring PRINCE2 to the project environment. **Specifically to recall the:**					
01	01	Six aspects of project performance to be managed	✓		1.5.2
01	02	Definition of a project	✓		1.3
01	03	Four integrated elements of principles, themes, processes and the project environment upon which PRINCE2 is based	✓		1.5.3
01	04	Customer/supplier context of a PRINCE2 project	✓		5.1
Understand terms and concepts relating to the overview, principles and tailoring PRINCE2 to the project environment, and explain how these are applied on/are involved with a project. **Specifically to identify the:**					
02	01	Benefits of using PRINCE2	✓		1.7
02	02	Seven principles	✓		2
02	03	Characteristics of a project	✓		1.3
02	04	Difference between embedding and tailoring PRINCE2		✓	19.1
02	05	Context of a customer/supplier environment and how it affects the application of the themes, processes and management products within a project		✓	19.6

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Syllabus Area Code BC		Syllabus Area : Business Case (BC) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relating to the Business Case theme. Specifically to recall the:					
01	01	Definition of a project output, an outcome, a benefit and a dis-benefit	✓		4.2.2, 4.3.4.4
Understand how the Business Case them relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the responsibilities involved. **Specifically to identify**:					
02	01	The purpose of the Business Case theme	✓		4.1
02	02	The purpose of a 1. Business Case 2. Benefits Review Plan	✓		A.2.1
02	03	The recommended composition of a 1. Business Case, and in which process(es) it is developed, verified, maintained and confirmed and which roles are responsible for this 2. Benefits Review Plan, and in which process(es) it is developed, used and reviewed and which roles are responsible for this		✓	A.1.2, A.2.2, 4.3, 4.3.1-4, 12.4.4, 13.4.1-14.4.7, 15.4.4-7, 17.4.3 4, 18.4.3-4, C/Table
02	04	The relationship between a programme's business case and a project's Business Case		✓	4.3.1, 4.3.2, 4.3.3
Be able to apply and tailor the relevant aspects of the Business Case theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the products listed in 0203 above		✓	
03	02	Identify outputs, outcomes, benefits and dis-benefits		✓	4.2.2, 4.3.4.4
Able to identify, analyse and distinguish between appropriate and inappropriate application of the Business Case theme throughout the life - cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether the products listed in 0203 above, using the recommended composition, are fit for purpose, with reasons, and whether the appropriate roles have been involved in their development and maintenance throughout the life of a project		✓	

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Syllabus Area Code OR		Syllabus Area: Organization (OR) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relating to the Organization theme. Specifically to recall the:					
01	01	Roles within the Organization theme	✓		5.3.2
Understand how the Organization theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the responsibilities involved. Specifically to identify:					
02	01	The purpose of the Organization theme	✓		5.1
02	02	The three project interests and how these are represented within the three Levels of the project management team structure	✓		5.2.5 5.3.2
02	03	The responsibilities and characteristics of the role of the: 1. Project Board 2. Project Manager 3. Project Assurance 4. Change Authority 5. Team Manager 6. Project Support	✓		 5.3.2.2 5.3.2.6 5.3.2.3 5.3.2.4 5.3.2.7 5.3.2.8
02	04	What a stakeholder is	✓		5.2.5
02	05	The purpose of the Communication Management Strategy	✓		A.4.1; 5.3.5.3
02	06	How the four levels of the project management structure apply to the process model	✓		5.3.1
02	07	The relationship between the Communication Management Strategy and other products and themes	✓		5.3.2.2, 5.3.5.3, 8.3.5.5, 10.3.3.4, 13.4.5, 14.4.5, 14.4.6, 14.4.8, 15.4.6, 17.4.4, 18.4.5
02	08	The recommended composition of a Communication Management Strategy, in which process(es) it is developed, used and reviewed and which roles are responsible for this	✓		A.4.2, 5.3.5.3, 13.4.2-5, 14.4.4-6, 15.4.4-6, 17.4.2, 17.4.4, 18.4.4-5, C/Table 5.1
Be able to apply and tailor the relevant aspects of the Organization them e to a project scenario, when creating products or making decisions r elated to this theme, in any or all of the processes. Specifically to:					
03	01	Identify an appropriate project management team structure and role descriptions, including acceptable role consolidations or sharing	✓		5.3.2, C
03	02	Identify appropriate information, using the recommended composition, for inclusion in a Communication Management Strategy	✓		A.4.2

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Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Organization theme throughout the life-cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether the following products, using the recommended composition, are fit for purpose, with reasons, and whether the correct roles have been involved in their development and maintenance throughout the life of a project. Including: 1. Project management team structure 2. Communication Management Strategy		✓	5.3.2, C/Table 5.1 A.4.2

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Syllabus Area Code QU		Syllabus Area : Quality (QU) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relating to the Quality theme. **Specifically to recall the:**					
01	01	Recall the recommended quality review team roles	✓		6.3.2.1
Understand how the Quality theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the responsibilities involved. **Specifically to identify:**					
02	01	The purpose of the Quality theme	✓		6.1
02	02	The difference between quality assurance and Project Assurance	✓		6.2.6 Tab 6.1
02	03	The objectives of the quality review technique	✓		6.3.2.1
02	04	The difference between quality planning, quality control and quality assurance	✓		6.3.1, 6.3.2, 6.2.6
02	05	The difference between customer's quality expectations and acceptance criteria	✓		6.3.1.1, 6.3.1.2
02	06	The purpose of a: 1. Project Product Description 2. Product Description 3. Quality Register 4. Quality Management Strategy	✓		 A.21.1 A.17.1 A.23.1 A.22.1
02	07	The PRINCE2 approach to quality - quality audit trail		✓	6.3
02	08	The recommended composition of a 1. Project Product Description 2. Product Description 3. Quality Register 4. Quality Management Strategy and in which process(es) they are developed, used and reviewed and which roles are responsible for this		✓	A.21.2, A.17.2, A.22.2, A.23.2, 6.3.1.4, 12.4.4-5, 13..4.1, 13.4.2, 13.4.3, 14.4.3-6, 14.4.6, 15.4.1, 15.4.1-17.4.4-5, 18.4.1, 18.4.4-5, C/Table 6.3

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Be able to apply and tailor the relevant aspects of the Quality theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the products listed in 0208 above		✓	
03	02	Identify appropriate actions and responsibilities when applying the quality review technique to a given product		✓	6.3.2.1
03	03	Identify appropriate actions and responsibilities when applying quality planning and quality control to a given project		✓	6.3.1, 6.3.2
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Quality theme throughout the life-cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether the products listed in 0208 above, using the recommended composition, are fit for purpose, with reasons, and whether the appropriate roles have been involved in their development and maintenance throughout the life of a project		✓	
04	02	Use of the quality review technique for a given product		✓	6.3.2.1
04	03	Whether quality planning activities have been, or are scheduled to be, undertaken appropriately during the execution of a project, with reasons, and whether the appropriate roles have been involved. Including: • Understanding and documenting the customer's quality expectations and the project's acceptance criteria in the Project Product Description • Formulating a Quality Management Strategy and setting up a • Quality Register		✓	6.3.1 6.3.1.1 6.3.1.2 6.3.1.3 6.3.1.4 6.3.1.6
04	04	Whether quality control activities have been, or are scheduled to be, undertaken appropriately during the execution of a project, with reasons, and whether the appropriate roles have been involved. Including: • Carrying out the quality methods • Maintaining quality and approval records • Gaining acceptance		✓	6.3.2 6.3.2.1 6.3.2.2 6.3.2.3 6.3.2.4

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Syllabus Area Code PL		Syllabus Area: Plans (PL) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know the facts, terms and concepts relating to the Plans theme. **Specifically to recall the:**					
01	01	Levels of plan recommended by PRINCE2	✓		7.2.3
01	02	Four tasks of product-based planning	✓		7.3.3
Understand how the Plans theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the rresponsibilities involved. **Specifically to identify:**					
02	01	The purpose of the Plans theme	✓		7.1
02	02	The levels of plans, their purpose and the interrelationship between the: 1. Project Plan 2. Stage Plans ✓ 3. Team Plans 4. Exception Plan			7.2.3-7
02	03	The tasks within the product-based planning technique	✓		7.3.3.1-4 App D
02	04	The recommended composition of a Plan, in which process(es) it is developed, used and reviewed, and which roles are responsible for this		✓	A.16.2, 7.2.3, 7.3.3-7.3.8, 12.4.6, 13.4.1-13.4.3, 13.4.5, 14.4.6, 14.4.7, 15.4.1-8, 16.4.1-3, 17.4.4, 18.4.1, C/Table 7.1
Be able to apply and tailor the relevant aspects of the Plans theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in a Plan (excluding the schedule)		✓	A.16.2, 7.3.3-7.3.8
03	02	Identify the appropriate actions and responsibilities when applying the product-based planning technique, including the creation of Product Descriptions, a product breakdown structure and a product flow diagram		✓	7.3.3.1-4, D
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Plans theme throughout the life-cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether a Plan (excluding the schedule), using the recommended composition, is fit for its purpose, with reasons, and whether the appropriate roles have been involved in its development and maintenance throughout the life of a project		✓	A.16.2, 7.3.3-7.3.8, C/Table 7.1
04	02	Whether the Product-based planning technique has been applied appropriately. This should include analysing the appropriate application of Product Descriptions, a product breakdown structure and a product flow diagram, with reasons		✓	7.3.3.1-4, D

✓

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Syllabus Area Code RK		Syllabus Area : Risk (RK) Theme	Foundation	Practitioner	Reference Manual Primary
Level	Topic				
Know facts, terms and concepts relating to the Risk theme. **Specifically to recall the:**					
01	01	The definition of a risk and the difference between a threat and an opportunity	✓		8.2.1
01	02	The recommended risk response types and whether they are used to respond to a threat or an opportunity.	✓		Fig 8.7, Tab 8.2
01	03	The difference between a risk owner and a risk actionee	✓		8.3.5.4
Understand how the Risk theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the rresponsibilities involved. **Specifically to identify:**					
02	01	The purpose of the Risk theme	✓		8.1
02	02	The steps within the recommended risk management procedure. This should include: • Identify the context and therefore the influences on a project's Risk Management Strategy • Identify the threats and opportunities that may affect a project's objectives • Estimate risks to assess their probability, impact and proximity • Evaluate the net effect of all risks on a project when aggregated together • Plan risk management responses • Implement planned risk management responses, identifying an appropriate risk owner and/or risk actionee • Communicate information related to risks, both within the project and externally to stakeholders			8.3.5 8.2.2 8.3.5.1 8.2.1 8.3.5.2 8.3.5.3 8.3.5.4 8.3.5.5
02	03	The purpose of a risk budget	✓		8.3.6
02	04	The risk probability, risk impact and risk proximity	✓		8.3.5.2
02	05	The difference between cause, event and effect when expressing a risk	✓		8.3.5.1
02	06	The purpose of a: 1. Risk Management Strategy 2. Risk Register	✓		A.24.1 A.25.1
02	07	The concept of risk appetite and risk tolerance	✓		8.3.2, 8.3.3
02	08	The recommended composition of a 1. Risk Management Strategy 2. Risk Register and in which process(es) they are developed, used and reviewed, and which roles are responsible for this		✓	A.24.2, A.25.2, 8.3.3-4, 13.4.2, 13.4.5, 14.4.1-7, 15.4.1-2, 15.4.4-8, 16.4.1, 17.4.1-5, 18.4.3-5, C/Table 8.2 & 8.3
02	09	The concept of inherent, secondary and residual risks		✓	8.3.5.3

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Be able to apply and tailor the relevant aspects of the Risk theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the products listed in 0208 above		✓	
03	02	Identify the appropriate actions and responsibilities when applying the steps within the recommended risk management procedure, as listed in 0202 above		✓	8.3.5 C/Table 8.2 & 8.3
03	03	Identify primary and secondary risks and estimate inherent and residual risks		✓	8.3.5.3
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Risk theme throughout the life-cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether the products listed in 0208 above, using the recommended composition, are fit for purpose, with reasons, and whether the appropriate roles have been involved in their development and maintenance throughout the life of a project		✓	
04	02	Whether activities undertaken during the execution of the recommended risk management procedure (listed in 0202 above) are appropriate, with reasons, and whether the appropriate roles have been involved		✓	8.3.5 C/Table 8.2 & 8.3

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Syllabus Area Code CH		Syllabus Area: Change (CH) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relate to the Change theme. **Specifically to recall the:**					
01	01	Three types of issue	✓		9.2.4, Tab 9.1
01	02	Five typical activities of configuration management	✓		9.3.2
Understand how the Change theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the responsibilities involved. **Specifically to identify:**					
02	01	The purpose of the Change theme	✓		9.1
02	02	The purpose of a change budget	✓		9.3.1.1
02	03	The purpose of a: 1. Configuration Management Strategy 2. Configuration Item Record 3. Issue Report 4. Issue Register 5. Product Status Account	✓		A.6.1 A.5.1 A.13.1/2 A.12.1/2 A.18.1
02	04	The steps in the recommended issue and change control procedure	✓		9.3.3, 9.3.3.1-5
02	05	In which process(es) issues are captured and managed, and which roles are responsible		✓	SU, 15.4.6-8, C/Table 9.2 and 9.3
02	06	In which process(es) a change budget and a Change Authority are agreed and which roles are responsible		✓	14.4.2, 13.4.2, C.1.1
02	07	The recommended composition of a: 1. Configuration Management Strategy 2. Configuration Item Record 3. Issue Report 4. Issue Register 5. Product Status Account and in which process(es) they are developed, used and reviewed, and which roles are responsible for this		✓	A.6.2 A.5.2 A.13.2 A.12.2 A.18.2 9.3.1, 14.4.2, 14.4.6, 15.4.1-4, 15.4.6-8, 16.4.2, 17.4.1-3, 17.4.5, 18.4.2-5, C/Table 9.2 and 9.3

✓

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Be able to apply and tailor the relevant aspects of the Change theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the products listed in 0207 above		✓	
03	02	Identify the appropriate type for a given issue		✓	9.2.4
03	03	Identify the appropriate actions and responsibilities when applying the recommended issue and change control procedure		✓	9.3.3
03	04	Identify appropriate resource(s) for the role of Change Authority		✓	9.3.1.1, C.8
03	05	Identify the appropriate actions and responsibilities when applying the typical activities of configuration management		✓	9.3.2
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Change theme throughout the life-cycle of a project scenario. **Specifically to analyse:**					
04	01	Whether the products listed in 0207 above, using the recommended composition, are fit for purpose, with reasons, and whether the appropriate roles have been involved in their development and maintenance throughout the life of a project		✓	
04	02	Whether activities undertaken during the execution of the recommended issue and change control procedure are appropriate, with reasons, and whether the appropriate roles have been involved. Including activities associated with: • Capturing and analyzing to determine the type of issue and whether it can be managed informally or formally • Examining an issue to determine its impact • Proposing a course of action • Deciding on appropriate course of action • Implementing agreed action		✓	9.3.3 9.3.3.1 9.3.3.2 9.3.3.3 9.3.3.4 9.3.3.5 C/Table 9.2 and 9.3
04	03	Whether the typical activities of configuration management have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved. Including activities associated with: • Planning what level of configuration management is required • Identifying configuration items • Controlling configuration items • Status accounting • Verifying and auditing configuration items		✓	9.3.2 C/Table 9.2 and 9.3

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Syllabus Area Code PG		Syllabus Area : Progress (PG) Theme	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Know facts, terms and concepts relating to the Progress theme. **Specifically to recall the:**					
01	01	Lines of authority and reporting between the four levels of management	✓		10.3.1.1, 10.3.3.4
Understand how the Progress theme relates to the principles; the approach to the treatment of this theme; how it is applied throughout the project life-cycle and the responsibilities involved. **Specifically to identify:**					
02	01	The difference between event-driven and time-driven controls	✓		10.3.3
02	02	The purpose of the Progress theme	✓		10.1
02	03	The concept of management stages and the difference between management and technical stages	✓		10.3.2, 10.3.2.3
02	04	The factors to consider in identifying management stages	✓		10.3.2.1 - 3
02	05	Tolerance(s): when and how tolerances are set and exceptions reported, in which management products tolerances are documented and how management by exception applies to the different levels of management	✓		10.2.3, 10.3.1.1, 10.3.4
02	06	The purpose of a: 1. Daily Log 2. Lessons Log 3. Work Package	✓		A.7.1 A.14.1 A.26.1
02	07	The purpose of a: 1. End Stage Report 2. End Project Report 3. Lessons Report	✓		A.9.1 A.8.1 A.15.1
02	08	The purpose of a: 1. Checkpoint Report 2. Highlight Report 3. Exception Report	✓		A.3.1 A.11.1 A.10.1
02	09	The recommended composition of a: 1. Work Package 2. Lessons Log 3. Checkpoint Report 4. Highlight Report 5. End Stage Report 6. Exception Report 7. End Project Report 8. Lessons Report and in which process(es) they are developed, used and reviewed, and which roles are responsible for this		✓	A.26.2 A.14.2 A.3.2 A.11.2 A.9.2 A.10.2 A.8.2 A.15.2 15.4.1-2, 16.4.1-2, 12.4.2, 15.4.5 13.4.3-5, 17.4.4 15.4.7, 18.4.4,

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Be able to apply and tailor the relevant aspects of the Progress theme to a project scenario, when creating products or making decisions related to this theme, in any or all of the processes. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the products listed in 0209 above		✓	
03	02	Identify the appropriate actions and responsibilities when applying the concept of management by exception		✓	2.5, 10.2.3, 10.3.1, 10.3.1.1, 10.3.4, Tab 10.1
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the Progress theme throughout the life-cycle of a project scenario. Specifically to analyse:					
04	01	Whether the products listed in 0209 above, using the recommended composition, are fit for purpose, with reasons, and whether the appropriate roles have been involved in their development and maintenance throughout the life of a project		✓	
04	02	Whether activities undertaken to manage by exception during the execution of the project were applied appropriately, with reasons, and whether the appropriate roles have been involved.		✓	2.5, 10.2.3, 10.3.1, 10.3.1.1, 10.3.4, C/Table 10.1 & 10.2

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Syllabus Area Code SU		Syllabus Area : Starting up a Project (SU) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the SU process and how it can be applied and tailored on a project. **Specifically to identify:**					
02	01	The purpose of the SU process	✓		12.1
02	02	The objectives of the SU process	✓		12.2
02	03	The context of the SU process	✓		12.3
02	04	The purpose of a Project Brief	✓		A.19.1
02	05	The following activities within the SU process and the responsibilities within them: • Appointing the Executive and the Project Manager • Capturing previous lessons • Designing and appointing the project management team • Preparing the outline Business Case • Selecting the project approach and assembling the Project Brief • Planning the initiation stage		✓	12.4.1 12.4.2 12.4.3 12.4.4 12.4.5 12.4.6
02	06	How the seven themes may be applied within the SU process		✓	12
02	07	The recommended composition of a Project Brief and in which process(es) it is developed, used and reviewed, and which roles are responsible		✓	A.19.2, 12.4.5,-6, 13.4.1, 14.4.1-8
Be able to apply the SB process, tailoring the recommended activities and actions w here appropriate, to a project scenario. **Specifically to:**					
03	01	Identify appropriate information, using the recommended composition, for inclusion in the Project Brief		✓	A.19.2
03	02	Identify the recommended SU process actions when carrying out the activities listed in 0205 above		✓	12.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the SU process to a project scenario. **Specifically to analyse:**					
04	01	Whether the Project Brief, using the recommended composition, is fit for its purpose, with reasons, and whether the appropriate roles have been involved in its development and maintenance throughout the SU process		✓	A.19.2, 12.4
04	02	Whether the recommended SU process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0205 above		✓	12.4

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Syllabus Area Code DP		Syllabus Area : Directing a Project (DP) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the DP process and how it can be applied and tailored on a project. **Specifically to identify:**					
02	01	The purpose of the DP process	✓		13.1
02	02	The objectives of the DP process	✓		13.2
02	03	The context of the DP process	✓		13.3
02	04	The following activities within the DP process and the responsibilities within them: • Authorizing initiation • Authorizing the project • Authorizing a Stage or Exception Plan • Giving ad hoc direction • Authorizing project closure		✓	13.4.1 13.4.2 13.4.3 13.4.4 13.4.5
02	05	How the seven themes may be applied within the DP process		✓	13
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the DP process to a project scenario. **Specifically to analyse:**					
04	01	Whether the recommended DP process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0204 above		✓	13.4

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Syllabus Area Code IP		Syllabus Area: Initiating a Project (IP) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the IP process and how it can be applied and tailored on a project. Specifically to identify:					
02	01	The purpose of the IP process	✓		14.1
02	02	The objectives of the IP process	✓		14.2
02	03	The context of the IP process	✓		14.3
02	04	The purpose of a Project Initiation Documentation (PID)	✓		A.20.1
02	05	The following activities within the IP process and the responsibilities within them: • Preparing the Risk Management Strategy • Preparing the Configuration Management Strategy • Preparing the Quality Management Strategy • Preparing the Communication Management Strategy • Setting up the project controls • Create the Project Plan • Refining the Business Case • Assembling the Project Initiation Documentation		✓	14.4.1 14.4.2 14.4.3 14.4.4 14.4.5 14.4.6 14.4.7 14.4.8
02	06	How the seven themes may be applied within the IP Process		✓	14
02	07	The recommended composition of the Project Initiation Documentation, and in which process(es) it is developed, used and reviewed, and which roles are responsible		✓	A.20.2,
Be able to apply the IP process, tailoring the recommended activities and actions where appropriate, to a project scenario. Specifically to:					
03	01	Identify the recommended IP process actions when carrying out the activities listed in 0205 above		✓	14.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the IP process to a project scenario. **Specifically to analyse:**					
04	01	Whether the Project Initiation Documentation, using the recommended composition, is fit for its purpose, with reasons, and whether the appropriate roles have been involved in its development and maintenance throughout the IP process		✓	A.20.2, 14.4
04	02	Whether the recommended IP process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0205 above		✓	14.4

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Syllabus Area Code CS		Syllabus Area : Controlling a Stage (CS) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the CS process and how it can be applied and tailored on a project. **Specifically to identify:**					
02	01	The purpose of the CS process	✓		15.1
02	02	The objectives of the CS process	✓		15.2
02	03	The context of the CS process	✓		15.3
02	04	The following activities within the CS process and the responsibilities within them: • Authorizing a Work Package • Reviewing Work Package status • Receiving completed Work Packages • Reviewing the stage status • Reporting Highlights • Capturing and examining issue and risks • Escalating issues and risks • Taking corrective action		✓	15.4.1 15.4.2 15.4.3 15.4.4 15.4.5 15.4.6 15.4.7 15.4.8
02	05	How the seven themes may be applied within the CS process		✓	15
Be able to apply the CS process, tailoring the recommended activities and actions where appropriate, to a project scenario. **Specifically to:**					
03	01	Identify the recommended CS process actions when carrying out the activities listed in 0204 above		✓	15.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the CS process to a project scenario. **Specifically to analyse:**					
04	01	Whether the recommended CS process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0204 above		✓	15.4

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Syllabus Area Code MP		Syllabus Area : Managing Product Delivery (MP) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the MP process and how it can be applied and tailored on a project. **Specifically to identify:**					
02	01	The purpose of the MP process	✓		16.1
02	02	The objectives of the MP process	✓		16.2
02	03	The context of the MP process	✓		16.3
02	04	The following activities within the MP process and the responsibilities within them: • Accepting a Work Package • Executing a Work Package • Delivering a Work Package		✓	16.4.1 16.4.2 16.4.3
02	05	How the seven themes may be applied within the MP process		✓	16
Be able to apply the MP process, tailoring the recommended activities and actions where appropriate, to a project scenario. **Specifically to:**					
03	01	Identify the recommended MP process actions when carrying out the activities listed in 0204 above		✓	16.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the MP process to a project scenario. **Specifically to analyse:**					
04	01	Whether the recommended MP process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0204 above		✓	16.4

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Syllabus Area Code SB		Syllabus Area : Managing a Stage Boundary (SB) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the SB process and how it can be applied and tailored on a project. **Specifically to identify:**					
02	01	The purpose of the SB process	✓		17.1
02	02	The objectives of the SB process	✓		17.2
02	03	The context of the SB process	✓		17.3
02	05	The following activities within the SB process and the responsibilities within them: • Planning the next stage • Updating the Project Plan • Updating the Business Case • Reporting stage end • Producing an Exception Plan		✓	17.4.1 17.4.2 17.4.3 17.4.4 17.4.5
02	04	How the seven themes may be applied within the SB process		✓	17
Be able to apply the SB process, tailoring the recommended activities and actions where appropriate, to a project scenario. **Specifically to:**					
03	01	Identify the recommended SB process actions when carrying out the activities listed in 0205 above		✓	17.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the SB process to a project scenario. **Specifically to analyse:**					
04	01	Whether the recommended SB process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0205 above		✓	17.4

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Syllabus Area Code CP		Syllabus Area: Closing a Project (CP) Process	Foundation	Practitioner	Primary Manual Reference
Level	Topic				
Understand the CP process and how it can be applied and tailored on a project. Specifically to identify:					
02	01	The purpose of the CP process	✓		18.1
02	02	The objectives of the CP process	✓		18.2
02	03	The context of the CP process	✓		18.3
02	04	The following activities within the CP process and the responsibilities within them: • Preparing planned closure • Preparing premature closure • Hand over products • Evaluate the project • Recommend project closure		✓	18.4.1 18.4.2 18.4.3 18.4.4 18.4.5
02	04	How the seven themes may be applied within the CP process		✓	18
Be able to apply the CP process, tailoring the recommended activities and actions w here appropriate, to a project scenario. Specifically to:					
03	01	Identify the recommended CP process actions when carrying out the activities listed in 0204 above		✓	18.4
Be able to identify, analyse and distinguish between appropriate and inappropriate application of the CP process to a project scenario. Specifically to analyse:					
04	01	Whether the recommended CP process actions have been undertaken appropriately, with reasons, and whether the appropriate roles have been involved when carrying out the activities listed in 0204 above		✓	18.4

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PUBLIC

Instructor Notes

PRINCE2® Foundation (PR2-213 v3.02)

Day 1

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Introduction

- Welcome and housekeeping
- Getting to know each other

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Slide 2

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Instructor Notes

Introduction

General introduction from the trainer, their history and experience working within Projects. Delegates to provide information about their occupation, their objectives for the course, Project Management experience and exposure to PRINCE2®

Getting to know each other:

Explain that they are here to invest in themselves; it implies an active learning attitude. What do they want to learn and what experiences do they have to offer to the group?

To get acquainted, let each student interview his neighbor. 2x 5 minutes. Then each student presents his neighbor (2 minutes per student)

Trainer: write names on flip-over with specifics (function, purpose of training, P2 exam, expectations of the training, preferred topics, questions). Use during training (recaps in the morning), elaborate on personal goals, to involve students with their learning process.

Course Objectives

- During the PRINCE2® Foundation course you will gain:
  - A context for PRINCE2®
  - PRINCE2® Foundation certification*
  - Understanding of PRINCE2® including:
    - Themes
    - Processes
    - Principles

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Slide 3

Course Objectives

At PRINCE2® Foundation level you:

- Act as member of a project team using PRINCE2®
- Understand the principles and terminology

Specifically you must know:

- Purpose and content of all roles, seven themes, seven processes and seven principles
- Management products that are input and output of processes
- Purpose and contents of major management products
- Relationships between processes, deliverables, roles and management dimensions of a project

*The PRINCE2® Foundation certification exam is optional. It is highly recommended that delegates undertake this exam to gain the PRINCE2® Foundation certification.

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Instructor Notes

Course Objectives

The PRINCE2® Foundation exam is a one-hour mulitple choice exam. It consists of 75 questions with a pass mark of 50%.The exam is marked by the trainer so delegates will receive their grade after the completion of the course.

Explain training content: Training divided over three days. The first day has a lot of new terms. It is a typical PRINCE2® feature that only a third of the time is spent on the actual production phase and closure of the project! Preparation obviously is the main theme! Why? Because MANAGING EXPECTATIONS IS DONE BEFORE EXECUTION.

Timing: The PRINCE2® Overview should take 120 mins

The Importance of Projects

- Project deliver products that enable change
- Orgizations balance between two imperatives:
  - To maintain current business operations
  - To transform business operations in order to survive and compete in the future

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Slide 4

The Importance of Projects

A key challenge for organizations in today's world is to succeed in balancing two parallel, competing imperatives:

- To maintain current business operations, often referred to as "business as usual"
- To transform business operations in order to survive and compete in the future—managing business change

Projects are the means by which we introduce change. Therefore, there are some crucial differences between managing business as usual and managing project work.

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Instructor Notes

The Importance of Projects

Section 1.2 The Importance of projects

It is important for delegates to have an understanding that as the pace of change (technology, business, social, regulatory etc.) accelerates, and the penalties of failing to adapt to change become more evident, the focus of management attention is inevitably moving to achieve a balance between business as usual and business change.

What is a Project?

- In PRINCE2®, a project is:
  - "A temporary organization that is created for the purpose of delivering one or more business products according to an agreed upon Business Case"
- Another definition (PMBOK) of project:
  - "A temporary endeavor undertaken to create a unique product, service or result"

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Slide 5

What is a Project?

In PRINCE2®, a project is a temporary organization that is created for the purpose of delivering one or more business products according to an agreed upon Business Case.

A product, outcome or deliverable can be defined as everything that the project must create or change. Results of projects can vary enormously from physical items, such as buildings and machinery, to intangible things like culture change and public perception. A PRINCE2® project creates both management products and specialized products (the actual business products).

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Instructor Notes

What is a Project?

Ask delegates to come up with their own definition of a project.

The PMBOK definition of a project is: 'a temporay endeavor undertaken to create a unique product, service or result'.

Compare and contrast both definitions.

Characteristics of a Project

- Activity/Discussion
  - What are some characteristics of a project?

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Instructor Notes

Characteristics of a Project

Get the delegates to close their books for this exercise. Ask delegates to write down individually, or as a group, at least 8 reasons characteristics of a project. Collate the answers on the whiteboard and discuss as a class. Did most groups have similar answers or was there a wide range of opinions?

Characteristics of a Project

- Characteristics that distinguish projects from business as usual:
  - Change
  - Temporary
  - Cross-functional
  - Unique
  - Uncertainty

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Slide 7

Characteristics of a Project

There are a number of characteristics of project work that distinguish it from business as usual:

- **Change**
- **Temporary**: Once the desired change has been implemented, business as usual resumes. Projects should have a defined start and a defined end.
- **Cross-functional**: Projects involve a team of people with different skills working together (on a temporary basis) to introduce a change. Projects often cross the normal functional divisions within an organization.
- **Unique**: Every project is unique.
- **Uncertainty**: Projects are more risky and introduce threats and opportunities over and above those we typically encounter in the course of business as usual.

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Characteristics of a Project

Section 1.3 What makes projects different?

Delegates may come up with other characteristics such as a project has a unique purpose, a project is temporary, a project should have a primary customer or sponsor, a project involves uncertainty, a project is developed using progressive elaboration (projects are often defined broadly when they begin, and as time passes, the specific details of the project become clear. Projects should be developed in increments)

Why Projects Fail

- Activity/Discussion
  - Why do projects fail?

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Instructor Notes

Why Projects Fail

Get the delegates to close their books for this exercise. Ask delegates to write down individually, or as a group, at least 8 reasons why projects fail. Collate the answers on the whiteboard and discuss as a class. Did most groups have similar answers or was there a wide range of opinions?As an alternative delegates could be asked what they could do to sabotage the success of a project.Possible points to discuss: risk, commitment, scope, planning, poor estimation, unrealistic timeframes, poor monitoring, poor roles and responsibilities

Why Projects Fail (1/2)

- Inexperienced Project Managers
- Lack of a clearly defined purpose
- Insufficient measurables and reports
- Lack of progress control and quality control
- A lack of coordination of resources and activities
- Cultural and ethical misalignment
- A poor estimation of duration and costs

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Why Projects Fail (1/2)

The reasons for project failure highlighted above are not exhaustive. There are certainly many more reasons not shown here.

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Instructor Notes

Why Projects Fail (1/2)

This list is not exhaustive. Delegates may have different answers.

Why Projects Fail (2/2)

- Stakeholders not managed (sufficiently), products not accepted
- Inadequate planning of resources, activities and scheduling
- Lacking progress control, overrun is noticed too late
- Lacking quality control, products are unacceptable

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Why Projects Fail (2/2)

What do we notice about all these reasons for project failure?

They are all non-technical! In other words, the vast majority of project failures are caused by management problems and issues. It is rare that projects fail because the actual product does not work.

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Instructor Notes

Why Projects Fail (2/2)

You may ask delegates to rank the reasons for project failure (based on these slides or the class discussion) and try to come to a consensus as to the number one reason why projects fail.

Why have a project management method?

Why have a project management method?

- Project management is:
  - Control all aspects
  - Achieve project objectives
  - Planning, Delegating, Monitoring, Control
  - Motivation of those involved
  - Within targets for:
    - Time
    - Cost
    - Quality
    - Scope
    - Risks
    - Benefits

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Why have a project management method?

It is the development of the project's deliverables (known as products in PRINCE2®) that deliver the project's results. The purpose of project management is to maintain control over the specialist work required to create the project's products. To use a home construction analogy, project management is used to make sure the roofing contractor doesn't arrive before the walls are built.

The principles behind successful project management include:

- A project is a finite process with a definite start and end.
- Projects must always be managed in order to be successful.
- For genuine commitment to the project, all parties must be clear about why the project is needed, what it is intended to achieve, how the outcome is to be achieved, and what their responsibilities are in that achievement.

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Instructor Notes

Why have a project management method?

There are a number of project management methodologies available. Some are proprietary. Besides PRINCE2® the other popular methodology is known as PMBOK. The Project Management Institute (PMI) published 'A Guide to the Project Management Body of Knowledge (PMBOK Guide)' as a white paper in

1987 in an attempt to document and standardize generally accepted project management information and practices. The first edition was published in 1996 followed by the second edition in 2000. In 2004 the third edition was published including major changes from the first edition.

Benefits of Methodologies

- A method that is repeatable
- A method that is teachable
- Building on experience
- Ensuring that everyone knows what to expect, where, how and when
- Early warning of problems
- Being proactive and agile, instead of reactive and rigid

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Benefits of Methodologies

Having a structured project management methodology enables Critical Success Factors to be met.

Critical Success Factors for all projects include:

- Delivered on time, on budget and meeting customer expectations
- An agreed upon understanding of intended outcome
- Active management of risks and issues
- Timely decision-making supported by clear lines of reporting
- A clearly defined accountability and responsibility for the successful outcome of the project
- A trained and experienced project team
- Defined and managed processes that are clear for all stakeholders to understand and see

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Benefits of Methodologies

Organizations are becoming increasingly aware of the need to adopt a 'project' approach to the way they operate. Again you can ask the delegates to suggest other benefits that are not listed on the slides.

What does a Project Manager do?

- It is the Project Manager's responsibility to:
  - Plan the sequence of activities to deliver the products of the project
  - Delegate
  - Monitor how well the work in progress matches the plan
  - Take corrective action if necessary

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What does a Project Manager do?

It is the Project Manager who plans the sequence of activities to deliver the products of the project and who is responsible for monitoring how well the work in progress matches the plan. Of course, if work does not go according to plan, the Project Manager must take action (i.e., exert control).

The Project Manager performs many of the specialist tasks, but may delegate some or all of the work to others.

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Instructor Notes

What does a Project Manager do?

Section 1.5.1 What does a Project Manager do?

It is the Project Manager who plans the sequence of activities to build the house, works out how many bricklayers will be required and so on.

It may be possible to build the house yourself – but being a manager implies that you will delegate some or all of the work to others.

The ability to delegate is important in any form of management but particularly so (because of the cross-functionality and risks) in project management.

With the delegated work under way, the aim is that it should 'go according to plan', but we cannot rely on this always being the case. It is the Project Manager's responsibility to monitor how well the work in progress matches the plan.

Of course, if work does not go according to plan, the Project Manager has to do something about it, i.e. exert control. Even if the work is going well, the Project Manager may spot an opportunity to speed it up or reduce costs.

Whether it is by taking corrective action or implementing measures to improve performance, the aim of PRINCE2® is to make the right information available at the right time for the right people to make the right decisions.

Aspects of Project Performance

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Aspects of Project Performance

There are six variables involved in any project and, therefore, six aspects of project performance to be managed.

- **Costs**: The project must be affordable and cost must be managed.
- **Timeframes**: Project Managers are frequently asked, "When will it be finished?"
- **Quality**: Finishing on time and within budget is not much consolation if the result of the project doesn't work. In PRINCE2® terms, the project's products must be fit for purpose.
- **Scope**: Exactly what will the project deliver? There must be agreement on the project's scope and the Project Manager must have a detailed understanding of what is and what is not within the scope.
- **Risk**: All projects entail risks but exactly how much risk are we prepared to accept?
- **Benefits**: Perhaps most often overlooked is the question, "Why are we doing this?" The Project Manager must have a clear understanding of the purpose of the project as an investment and ensure that what the project delivers is consistent with achieving the desired return.

In any project there are always tensions between the aspects that are applied. Too much emphasis on one aspect will be to the detriment of the others. You must prioritize among all the constraints. **However, within any project there can only be one principle aspect and that aspect must come first.** The higher the priority, the less tolerance will be given.

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Instructor Notes

Aspects of project performance

Section 1.5.2 What is it that we wish to control?

There are six aspects of project performance to be managed.

Ask delegates to come up with examples of projects they have worked on (or that may have been in the public attention) and list the priorities of the constraints and why they are in the specific order. An example may be the 2008 Olympic Games.

What is PRINCE2®?

- PRINCE2® is an acronym for:
  - Projects In Controlled Environments 2nd version

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What is PRINCE2®?

PRINCE2® is an acronym for "PRojects IN Controlled Environments, 2nd version." PRINCE2® is a non-proprietary method and has emerged worldwide as one of the most widely accepted methods for managing projects. PRINCE2® **can be applied to any project regardless of project** scale, type, organization, geography or culture. The way PRINCE2® is applied to each project will vary considerably, so tailoring the method to suit the circumstances of a particular project is critical to its successful use.

The most significant word here is "Controlled." PRINCE2® is all about staying in control of the project.

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Instructor Notes

What is PRINCE2®?

Section 1.5 Introducing PRINCE2®

The history of PRINCE2® is explained in the next few slides.

Why PRINCE2®?

- Global standard
- Available within the public domain–there is no charge to use PRINCE2®
- Embodies established and proven best practices in project management
- Common language and understanding
- Interfaces with other Axelos initiatives

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Why PRINCE2®?

PRINCE2® is a global standard that is widely recognized and understood, providing a common language for all participants in a project. It assists in establishing organizational project management maturity. PRINCE2® embodies established and proven best practices in project management. It is available within the public domain.

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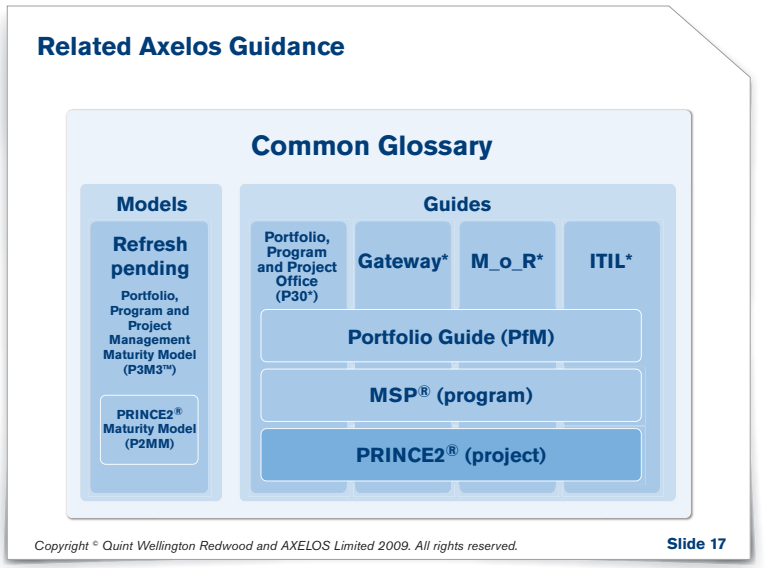
Instructor Notes

Why PRINCE2?

PRINCE2® is a widely used project management method, which navigates you through all the essentials for running a successful project. Since its introduction in 1989 PRINCE2® has been taken on by both the public and private sectors and is now recognized as a de facto standard for project management. PRINCE2® is a flexible method aimed at all other types of project. PRINCE2® takes all the simple and obvious lessons learned by thousands of professionals in the past 20-odd years and presents them in a checklist for present clients, managers and their teams. Axelos owns the methodology.



Related Axelos Guidance

PRINCE2® is part of a suite of guidance developed by Axelos that is aimed at helping organizations and individuals manage their projects, programs and services consistently and effectively such as ITIL® (Information Technology Infrastructure Library), Managing Successful programs (MSP™) and Management of Risk (M_o_R®).

- ITIL® is a Registered Trade Mark, and a Registered Community Trade Mark of Axelos, and is registered in the U.S. Patent and Trademark Office.
- IT Infrastructure Library® is a Registered Trade Mark of Axelos.
- M_o_R® is a Registered Trade Mark and a Registered Community Trade Mark of Axelos.
- MSP™ is a Registered Trade Mark of Axelos.

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Instructor Notes

Related Axelos Guidance

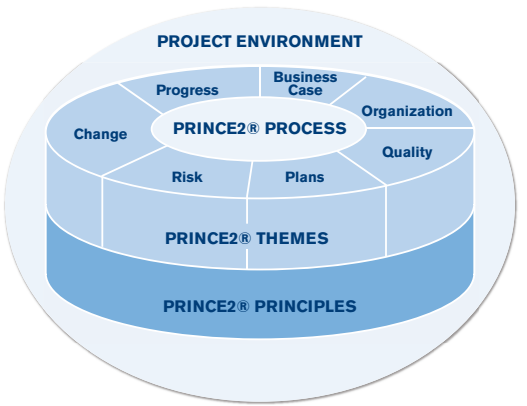
Section 1.6 - Rleated Axelos Guidance

More information about ITIL, MSP or M_o_R can be found through the following links: ITIL: http://www.apmgroup.co.uk/ITIL/ITIL.asp

MSP: http://www.apmgroup.co.uk/MSP/MSPHome.asp

M_o_R: http://www.apmgroup.co.uk/M_o_R/MoR_Home.asp

Structure of PRINCE2®



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Structure of PRINCE2®

The PRINCE2® method addresses project management with four integrated elements of principles, themes, processes and the project environment.

The principles

These are the guiding obligations and good practices that determine whether the project is genuinely being managed using PRINCE2®. There are seven principles and unless all of them are applied, it is not a PRINCE2® project.

The themes

These describe aspects of project management that must be addressed continually and in parallel throughout the project. The seven themes explain the specific treatment required by PRINCE2® for various project management disciplines and why they are necessary

The processes

These describe a step-wise progression through the project lifecycle from getting started to project closure. Each process provides checklists of recommended activities, products and related responsibilities.

There is a companion guide, Directing Successful Projects with PRINCE2®, which addresses the PRINCE2® method from the viewpoint of senior personnel, specifically Project Board members.

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Instructor Notes

Structure of PRINCE2®

Section 1.5.3 - Structure of PRINCE2®

The PRINCE2® method addresses project management with four integrated elements of principles, themes, processes and the project environment.

The principles

These are the guiding obligations and good practices which determine whether the project is genuinely being managed using PRINCE2®. There are seven principles and unless all of them are applied, it is not a PRINCE2® project.

The themes

These describe aspects of project management that must be addressed continually and in parallel throughout the project. The seven themes explain the specific treatment required by PRINCE2® for various project management disciplines and why they are necessary.

The processes

These describe a step-wise progression through the project lifecycle from getting started to project closure. Each process provides checklists of recommended activities, products and related responsibilities.

There is a companion guide, Directing Successful Projects with PRINCE2®, which addresses the PRINCE2® method from the viewpoint of senior personnel, specifically Project Board members.

Benefits of PRINCE2® (1/2)

- PRINCE2® embodies established and proven best practices and governance for project management
- It can be applied to any type of project
- PRINCE2® is widely recognized and provides a common language for all project participants
- PRINCE2® provides for the explicit recognition of project responsibilities

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Benefits of PRINCE2® (1/2)

Some of the key benefits of adopting PRINCE2® include:

- PRINCE2® embodies established and proven best practices and governance for project management.
- It can be applied to any type of project.
- PRINCE2® is widely recognized and understood leading to effective communication.
- There is a defined structure for accountability, delegation, authority and communication through explicit recognition of project responsibilities.

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Instructor Notes

Benefits of PRINCE2® (1/2)

Section 1.7 Benefits of PRINCE2®

These benefits are important for delegates to understand. Spend some time explaining these benefits on this, and the next slide, as they highlight how PRINCE2® will help organizations deliver projects more successfully. This wll be especially useful if delegates need to convince senior management that introducing PRINCE2® is worthwhile.

Benefits of PRINCE2® (2/2)

- Provides a structure for accountability, delegation, authority and communication
- Clarifies deliverables of a project, because of the focus on products
- Is based on a "management by exception" framework
- Ensures that participants focus on the viability of the project

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Benefits of PRINCE2® (2/2)

Some of the key benefits of adopting PRINCE2® include:

- Its product focus clarifies what a project will deliver, why, when, by whom and for whom.
- PRINCE2® plans meet the needs of the different levels in the project organization, improving communication and control.
- It is based on a "management by exception" framework, providing for the efficient and economic use of management time.
- PRINCE2® ensures that participants focus on the viability of the project in relation to its Business Case objectives–rather than simply seeing the completion of the project as an end in itself.
- It ensures that stakeholders (including sponsors and resource providers) are properly represented in planning and decision-making.

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Brief History of PRINCE2®

- 1975 – PROMPT by Simpact Systems Ltd
- 1979 – Adopted by Central Computer and Telecommunications Agency (CCTA)
- 1989 – CCTA publishes own method, PRINCE
- 1996 – CCTA publishes new version, PRINCE2®
- 1998, 2002 and 2005, PRINCE2® revised editions
- 2009 – PRINCE2® 2009 refresh – two manuals!

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Brief History of PRINCE2®

PRINCE2® is a structured method for effective project management which was first established in 1989 by the British Government's CCTA (the Central Computer and Telecommunications Agency), which is now Axelos.

The method was originally based on PROMPT, a project management method created by Simpact Systems Ltd in 1975. PROMPT was adopted by CCTA in 1979 as the standard to be used for all government information system projects. When PRINCE2® was launched in 1989, it effectively superseded PROMPT within government projects.

CCTA (now the Axelos) continued to develop the method launching PRINCE2® in 1996 in response to user requirements for improved guidance on project management on all projects, not just information systems.

PRINCE2® 2009 has been split into two separate manuals:

- **Managing a Successful Project – targeted at project managers**
- **Directing a Successful Project – targeted at project boards**

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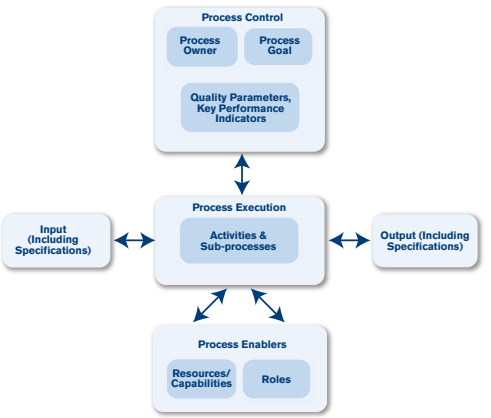
Instructor Notes

Brief History of PRINCE2®

The important point to highlight is that PRINCE2® can be used on any type of project, not just IT based projects.

PRINCE2® 2009 has been split into two separate manuals: Managing a Successful Project - targeted at project managers Directing a Successful Project - targeted at project boards

What is a Process?



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What is a Process?

A process is a structured set of coordinated activities that combine and implement resources and capabilities (input) to produce a desired outcome (output). A process includes all of the roles, responsibilities, tools, metrics (measurements) and management controls required to reliably deliver the outputs.

Typical input for a management process would be information or requests. Typical output would be updated information and decisions or approvals.

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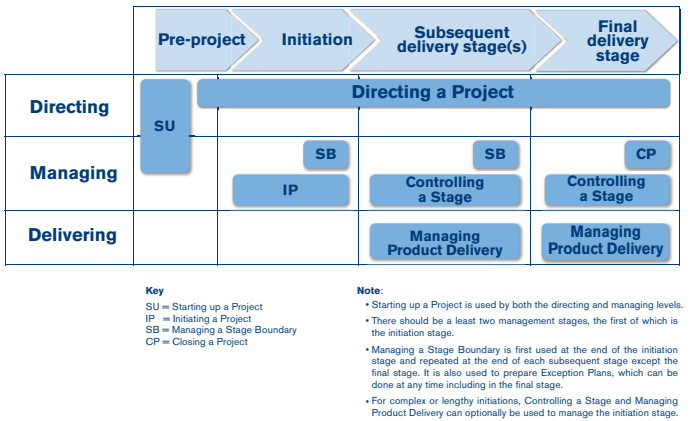
Instructor Notes

What is a Process?

Delegates are often confused at how processes work within a day to day environment. Highlight an example of how a process works in a common real life scenario. An example can be baking a cake. You can use this example to explain inputs, outputs, process requirements, process controls and process activities. Feel free to use other examples.

PRINCE2® Processes – Introduction



Key
SU = Starting up a Project
IP = Initiating a Project
SB = Managing a Stage Boundary
CP = Closing a Project

Note:
- Starting up a Project is used by both the directing and managing levels.
- There should be a least two management stages, the first of which is the initiation stage.
- Managing a Stage Boundary is first used at the end of the initiation stage and repeated at the end of each subsequent stage except the final stage. It is also used to prepare Exception Plans, which can be done at any time including in the final stage.
- For complex or lengthy initiations, Controlling a Stage and Managing Product Delivery can optionally be used to manage the initiation stage.

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PRINCE2® Processes – Introduction

There are seven processes in PRINCE2®, which provide the set of activities required to direct, manage and deliver a project successfully.

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PRINCE2® Processes – Introduction

This diagram is central to the PRINCE2® methodology. Spend considerable time making sure delegates have a thorough understanding of the PRINCE2® process model.

Highlight the Directing, Managing and Delivering levels as this explicit recognition is neww to PRINCE2® 2009.

The main point here is that the processes fit into the Controlled Start, Progress and Close model.

The PRINCE2® Journey

- Pre-Project – Project Mandate trigger
- Initiation Stage
- Subsequent Delivery Stages
- Final Delivery Stage

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The PRINCE2® Journey

Pre-Project

In PRINCE2®, the trigger for the project is called a project mandate. The project mandate is provided by corporate or program management and can vary in form from a verbal instruction to a well-defined and justified project definition.

The process Starting Up a Project is used to verify that the project is worthwhile and viable before the project is fully scoped. Starting Up a Project culminates in the production of a Project Brief and a Stage Plan for project initiation. The Project Board reviews the Project Brief and decides whether to initiate the project.

Initiation stage

The Initiating a Project process:

- Plans the project in detail
- Obtains funding
- Defines controls to ensure that the project proceeds in accordance with the wishes of those people paying for the project and those who will make use of what the project delivers
- Establishes project management strategies and controls
- Develops a robust Business Case

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The PRINCE2® Journey

Section 11.2 The PRINCE2® Journey

It would be worthwhile at this juncture to read through the student notes with the delegates to give an overview of the PRINCE2® process. However make sure that delegates understand that this slide is an introduction only and that the detail will be filled in throughout the course.

- Also during the initiation stage the Managing a Stage Boundary process is used to plan the next stage in detail.
- The initiation stage culminates in the production of a Project Initiation Documentation that is reviewed by the Project Board to decide whether to authorize the project.

Subsequent delivery stages

The Project Board delegates day-to-day control to the Project Manager on a stage-by-stage basis.

The Project Manager needs to:

- Assign work to be done
- Ensure that the outputs of such work (products) meet relevant specifications
- Gain suitable approval where appropriate
- Ensure that progress is in line with the approved plan and that the forecasts for the project's performance targets are within agreed upon tolerances
- Ensure that a set of project records (Daily Log, Lessons Log, Issue Register, Risk Register, Quality Register and Configuration Item Records) are maintained to assist with progress control
- Inform the Project Board of progress through regular Highlight Reports

The activities to control each stage are covered by the Controlling a Stage process.

In the Managing Product Delivery process, the Team Managers or team members execute assigned Work Packages (that will deliver one or more products) and keep the Project Manager appraised of progress via Checkpoint Reports.

Towards the end of each management stage, the Project Manager requests permission to proceed to the next stage by reporting how the stage performed, providing an update to the Business Case and planning the next management stage in detail. The activities to manage each stage boundary are covered in the Managing a Stage Boundary process.

Final delivery stage

As a project is a temporary undertaking, during the final stage it is time to decommission the project.

Activities include:

- The products can be transitioned into operational use and the project can close.
- The project documentation should be tidied up and archived.
- The project should be assessed for performance against its original plan.
- The resources assigned to the project need to be released.

The closure activities also include planning post-project benefits reviews to take place for those benefits that can only be assessed after the products have been in use (and, therefore, after the project has closed). The activities to decommission a project are covered by the Closing a Project process.

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Key to Process Diagrams

Symbol	Key
Starting up a Project	This is a PRINCE2® process.
Authorize initiation	This is a PRINCE2® process. Each process comprises a number of activities.
Exception Plan request Corrective action	This is a event or decision that triggers another process or is used to notify corporate or program management. The arrow shows which process is triggered by the event. Double triggers indicate where there are alternative triggers from one process to another (e.g., a request to approve the next Stage Plan or a request to approve an Exception Plan). Those with dotted lines are triggers internal to a process (e.g., corrective action is a trigger from one activity in the Controlling a Stage process to another).
Business Case Follow-on action Recommendations	These are management products that are created or updated by a process's activities. Those with hard lines are defined management products with Product Description outlines in Appendix A. Those with dotted lines are components of a management product or are non-defined management products where PRINCE2® does not require specific composition or quality criteria.

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Instructor Notes

Key to Process Diagrams

Table 11.2 pg 117

If delegates do not have access to the PRINCE2® 2009 manual it is important to clearly explain how the diagrams are designed.

PRINCE2® Themes

- Business Case
- Organization
- Quality
- Plans
- Risk
- Change
- Progress

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PRINCE2® Themes

The PRINCE2® themes describe aspects of project management that must be addressed continually.

However, the strength of PRINCE2® is in the way the seven themes are integrated and they are carefully designed to link together effectively.

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PRINCE2® Themes

Section 3.1

The themes provide the skills and knowledge needed to run the processes and to apply the processes when required. The PRINCE2® Practitioner exam is heavily focussed on the themes so pay particular attention to these.

Once again these theme slides are an overview and introduction only. Each theme will be explained in detail as the course progresses.

PRINCE2® Themes Summary (1/4)

- Business Case
  - The project starts with an idea that is considered to have potential value for the organization concerned
- Organization
  - Describes the roles and responsibilities required to manage the project effectively

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PRINCE2® Themes Summary (1/4)

Business Case: This theme addresses how a potential valuable idea is developed into a viable investment proposition for the organization and how project management maintains the focus on the organization's objectives throughout the project.

Organization: Projects are cross-functional so the normal line function structures are not suitable. This theme describes the roles and responsibilities in the temporary PRINCE2® project organization required to manage the project effectively.

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PRINCE2® Themes Summary (1/4)

Section 3.1

Business Case

This theme addresses how a potential valuable idea is developed into a viable investment proposition for the organization and how project management maintains the focus on the organization's objectives throughout the project.

Organization

Projects are cross-functional so the normal line function structures are not suitable. This theme describes the roles and responsibilities in the temporary PRINCE2® project organization required to manage the project effectively.

PRINCE2® Themes Summary (2/4)

- Quality
  - Explains how to understand and deliver the quality attributes of the products.
- Plans
  - Describes the steps required to develop plans and the techniques that should be applied.
  - Plans are the focus for communication and control throughout the project.

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PRINCE2® Themes Summary (2/4)

Quality: This theme explains how to understand the quality attributes of the products to be delivered–and then how project management will ensure that these requirements are delivered.

Plans: PRINCE2® projects proceed on the basis of a series of approved plans. In PRINCE2®, the plans are matched to the needs of the personnel at the various levels of the organization. They are the focus for communication and control throughout the project.

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PRINCE2® Themes Summary (2/4)

Section 3.1

Quality

This theme explains how to understand the quality attributes of the products to be delivered – and then how project management will ensure that these requirements are delivered.

Plans

PRINCE2® projects proceed on the basis of a series of approved plans. In PRINCE2®, the plans are matched to the needs of the personnel at the various levels of the organization. They are the focus for communication and control throughout the project.

PRINCE2® Themes Summary (3/4)

- Risk
  - Addresses how project management manages the uncertainties in its plans and in the wider project environment
- Change
  - Describes how project management assesses and acts upon issues
  - Issues may be unanticipated general problems, requests for change or instances of quality failure

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PRINCE2® Themes Summary (3/4)

Risk: Projects typically entail more risk than stable operational activity. This theme addresses how project management manages the uncertainties in its plans and in the wider project environment.

Change: This theme describes how project management assesses and acts upon issues that have a potential impact on any of the baseline aspects of the project. Issues may be unanticipated general problems, requests for change or instances of quality failure.

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PRINCE2® Themes Summary (3/4)

Section 3.1

Risk

Projects typically entail more risk than stable operational activity. This theme addresses how project management manages the uncertainties in its plans and in the wider project environment.

Change

This theme describes how project management assesses and acts upon issues which have a potential impact on any of the baseline aspects of the project. Issues may be unanticipated general problems, requests for change or instances of quality failure.

PRINCE2® Themes Summary (4/4)

- Progress
  - Addresses the ongoing viability of the plans
  - Explains the decision-making process for:
    - Approving plans
    - The monitoring of actual performance and
    - The escalation process if events do not go according to plan.
  - Ultimately, the Progress theme determines whether and how the project should proceed.

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PRINCE2® Themes Summary (4/4)

Progress: This theme addresses the ongoing viability of the plans. The theme explains the decision-making process for approving plans, the monitoring of actual performance and the escalation process if events do not go according to plan. Ultimately, the Progress theme determines whether and how the project should proceed.

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PRINCE2® Themes Summary (4/4)

Section 3.1

Progress

This theme addresses the ongoing viability of the plans. The theme explains the decision-making process for approving plans, the monitoring of actual performance and the escalation process if events do not go according to plan. Ultimately, the Progress theme determines whether and how the project should proceed.

Tailoring Themes

- All seven themes must be applied but tailored to fit:
  - The scale
  - Nature and
  - Complexity of the project
- Themes may be tailored for complex or high-risk projects, whereas more informal processes may be adequate for simple, low-risk projects

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Tailoring Themes

All seven themes must be applied in a project but should be tailored according to the scale, nature and complexity of the project concerned.

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Tailoring Themes

The concept of tailoring PRINCE2® is a very important one. It will be examined and so the ability to tailor PRINCE2® is explained throughout the course in the context of each theme and process.

PRINCE2® Principles – Introduction

- PRINCE2® is principles-based
  - If a project does not adhere to these principles, it is not being managed using PRINCE2®
- Principles are characterized as:
  - Universal: they apply to every project.
  - Self-validating: they have been proven in practice.
  - Empowering: they give practitioners the ability to influence and shape how the project will be managed.

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PRINCE2® Principles – Introduction

The purpose of PRINCE2® is to provide a project management method that can be applied regardless of project scale, type, organization, geography or culture. This is possible because PRINCE2® is principles-based.

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PRINCE2® Principles - Introduction

Section 2 Principles

The purpose of PRINCE2® is to provide a project management method that can be applied regardless of project scale, type, organization, geography or culture. This is possible because PRINCE2® is principles-based.

PRINCE2® Principles

- The seven PRINCE2® principles can be summarized as:
  - Continued business justification
  - Learn from experience
  - Defined roles and responsibilities
  - Manage by stages
  - Manage by exception
  - Focus on products
  - Tailor to suit the project environment

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PRINCE2® Principles

If a project does not adhere to these principles, it is not being managed using PRINCE2®, because the principles are the basis of what defines a PRINCE2® project.

It is the adoption of these principles that characterizes whether a project is using PRINCE2®, not the adoption of processes and documents alone.

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PRINCE2® Principles

Section 2 - Principles

If a project does not adhere to these principles, it is not being managed using PRINCE2®, because the principles are the basis of what defines a PRINCE2® project.

It is the adoption of these principles that characterizes whether a project is using PRINCE2®, not the adoption of processes and documents alone.

Each principle is explained in the following slides. Please note that these principles are not covered explicitly anywhere else so spend some time with delegates to understand them.

PRINCE2® Principle – Continued Business Justification

- Main theme
  - A PRINCE2® project has continued business justification
- A project's justification is documented in a Business Case
- Although the justification should remain valid, it may change
- If the project can no longer be justified, the project should be stopped

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PRINCE2® Principle – Continued Business Justification

A PRINCE2® project has continued business justification.

A requirement for a PRINCE2® project is that:

- There is a justifiable reason to start it
- The justification should remain valid throughout the life of the project
- The justification is documented and approved within a Business Case

If, for whatever reason, the project can no longer be justified, the project should be stopped.

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PRINCE2® Principle – Continued Business Justification

Section 2.1 - Principles

A PRINCE2® project has continued business justification. A requirement for a PRINCE2® project is that:

- There is a justifiable reason to start it
- The justification should remain valid throughout the life of the project
- The justification is documented and approved within a Business Case

If, for whatever reason, the project can no longer be justified, the project should be stopped.

PRINCE2® Principle – Learn from Experience

- Main theme
  - PRINCE2® project teams learn from previous experience
  - Lessons are sought, recorded and acted upon throughout the life of the project
- In PRINCE2®, learning from experience should be used:
  - When starting a project
  - As the project progresses
  - As the project closes

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PRINCE2® Principle – Learn from Experience

PRINCE2® project teams learn from previous experience. In PRINCE2®, learning from experience should be used:

- **When starting a project**: Previous or similar projects should be reviewed to see if lessons learned could be applied.
- **As the project progresses**: The project should continue to learn. Lessons should be included in all reports and reviews.
- **As the project closes**: The project should pass on lessons. Unless lessons provoke change, they are only lessons identified (not learned).

It is the responsibility of everyone involved with the project to seek lessons learned rather than waiting for someone else to provide them.

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PRINCE2® Principle – Learn From Experience

Section 2.2 – Principles

PRINCE2® project teams learn from previous experience. In PRINCE2®, learning from experience should be used:

- When starting a project Previous or similar projects should be reviewed to see if lessons learned could be applied.
- As the project progresses The project should continue to learn. Lessons should be included in all reports and reviews.
- As the project closes The project should pass on lessons. Unless lessons provoke change, they are only lessons identified (not learned).

It is the responsibility of everyone involved with the project to seek lessons learned rather than waiting for someone else to provide them.

PRINCE2® Principle – Defined Roles and Responsibilities

- Main theme
  - A PRINCE2® project has defined and agreed upon roles and responsibilities within an organization structure that engages all stakeholder interests
- All projects have the following primary stakeholders:
  - Business
  - Users
  - Suppliers

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PRINCE2® Principle – Defined Roles and Responsibilities

A PRINCE2® project has defined and agreed upon roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests.

A project is typically cross-functional, may involve more than one organization, and may involve a mixture of full-time and part-time resources. To be successful, projects must have an explicit project management team structure consisting of defined and agreed upon roles and responsibilities for the people involved in the project and a means for effective communication between them.

All projects have the following primary stakeholders:

- "Business" sponsors who endorse the objectives and ensure that the business investment provides value for money
- "Users" who will use the products to enable them to gain the intended benefits
- "Suppliers" who provide the resources and expertise required by the project (these may be internal or external)

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PRINCE2® Principle – Defined Roles and Responsibilities

Section 2.3 - Principles

A PRINCE2® project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests.

A project is typically cross-functional, may involve more than one organization, and may involve a mixture of full-time and part-time resources. To be successful, projects must have an explicit project management team structure consisting of defined and agreed roles and responsibilities for the people involved in the project and a means for effective communication between them.

All projects have the following primary stakeholders:

- 'Business' sponsors who endorse the objectives and ensure that the business investment provides value for money
- 'Users' who will use the products to enable them to gain the intended benefits
- 'Suppliers' who provide the resources and expertise required by the project (these may be internal or external).

PRINCE2® Principle – Manage by Stages

- Main theme
  - A PRINCE2® project is planned, monitored and controlled on a stage-by-stage basis
- Management stages provide senior management with control points
- PRINCE2® requires there to be a minimum of two management stages:
  - One initiation stage and one or more further management stages

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PRINCE2® Principle – Manage by Stages

A PRINCE2® project is planned, monitored and controlled on a stage-by-stage basis. Shorter stages offer more control, while longer stages reduce the burden on senior management.

Management stages provide senior management with control points at major intervals throughout the project. At the end of each stage:

- The project's status should be assessed.
- The Business Case and plans should be reviewed to ensure that the project remains viable.
- A decision should be made as to whether to proceed.

PRINCE2® overcomes the planning horizon issue by:

- Dividing the project into a number of management stages
- Having a high-level Project Plan and a detailed Stage Plan (for the current stage)

PRINCE2® requires there to be a minimum of two management stages: one initiation stage and one or more further management stages.

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PRINCE2® Principle – Manage by Stages

Section 2.4 - Principles

A PRINCE2® project is planned, monitored and controlled on a stage-by-stage basis. Shorter stages offer more control, while longer stages reduce the burden on senior management.

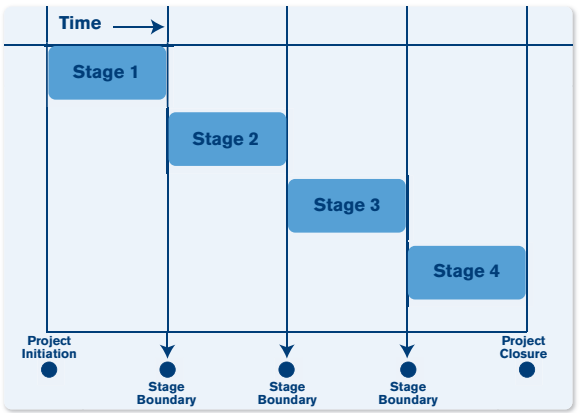
Management stages provide senior management with control points at major intervals throughout the project.

At the end of each stage:

- the project's status should be assessed
- the Business Case and plans reviewed to ensure that the project remains viable
- a decision made as to whether to proceed.

PRINCE2® requires there to be a minimum of two management stages: one initiation stage and one or more further management stages.

Structure of a PRINCE2® Project



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Structure of a PRINCE2® Project

Each PRINCE2® project is divided into a number of management stages, each forming a distinct unit for management purposes. These management stages run in sequence and do not overlap. They are separated by decision points or "stage boundaries" that enable management to authorize or prevent progress to the next stage.

Stages correspond to natural steps in the project lifecycle and usually correspond to the output of a significant product and to key decisions concerning commitment of resources.

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PRINCE2® Principle – Manage by Exception

Section 2.5 - Principles
A PRINCE2® project has defined tolerances for each project objective to establish limits of delegated authority.

PRINCE2® enables appropriate governance by defining distinct responsibilities for directing, managing and delivering the project and clearly defining accountability at each level.

Accountability is established by:
Delegating authority from one management level to the next by setting tolerances against six objectives for the respective level of the plan:

Time, Cost , Quality, Scope, Risk , Benefit

It is important to set up controls so that if those tolerances are forecast to be exceeded, they are immediately referred up to the next management layer for a decision on how to proceed.

This implementation of 'management by exception' provides for very efficient use of senior management time as it reduces senior managers' time burden without removing their control by ensuring decisions are made at the right level in the organization.

PRINCE2® Principle – Manage by Exception

- Main theme
  - A PRINCE2® project has defined tolerances for each project objective to establish limits of delegated authority.
- If tolerances are forecast to be exceeded, they are immediately referred up to the next management layer.
- Tolerances can be set against six objectives for the respective level of the plan:
  - Time, Cost, Quality, Scope, Risk and Benefit

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PRINCE2® Principle – Manage by Exception

A PRINCE2® project has defined tolerances for each project objective to establish limits of delegated authority.

PRINCE2® enables appropriate governance by defining distinct responsibilities for **directing**, **managing** and **delivering** the project and clearly defining accountability at each level.

- Accountability is established by:
- Delegating authority from one management level to the next by setting tolerances against six objectives for the respective level of the plan:
  - **Time**: Plus or minus an amount of time on the target completion dates
  - **Cost**: Plus or minus an amount of the planned budget
  - **Quality**: Plus or minus degrees off a quality target (e.g., a product that weighs a target 300 g, with an allowed -5 g to +10 g tolerance)
  - **Scope**: Permissible variation of the plan's products (e.g., mandatory requirements plus or minus desirable requirements)

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- **Risk**: Limits on the plan's aggregated threats (e.g., cost of aggregated risks to remain less than 10% of the plan's budget) or limits on any individual threat (e.g., a threat to operational service)
- **Benefit**: Plus or minus degrees off an improvement goal (e.g., 30–40% cost reduction)

- By setting up controls so that if those tolerances are forecast to be exceeded, they may be immediately referred up to the next management layer for a decision on how to proceed.

This implementation of "management by exception" provides for very efficient use of senior management time as it reduces senior managers' time burden without removing their control by ensuring decisions are made at the right level in the organization.

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PRINCE2® Principle – Focus on Products

- Main theme
  - A PRINCE2® project focuses on the definition and delivery of products, in particular their quality requirements
- A PRINCE2® project uses Product Descriptions to define each product's:
  - Purpose
  - Composition
  - Derivation
  - Format
  - Quality criteria and
  - Quality method

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PRINCE2® Principle – Focus on Products

A PRINCE2® project focuses on the definition and delivery of products, in particular their quality requirements.

A successful project is output-oriented, not activity-oriented. An output-oriented project is one that agrees upon and defines the project's products prior to undertaking the activities required to produce them.

A PRINCE2® project uses Product Descriptions to provide such clarity by defining each product's purpose, composition, derivation, format, quality criteria and quality method.

Without a product focus, projects are exposed to several major risks such as acceptance disputes, rework, uncontrolled change ("scope creep"), user dissatisfaction and underestimation of acceptance activities.

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PRINCE2® Principle – Focus on Products

Section 2.6 - Principles

A PRINCE2® project focuses on the definition and delivery of products, in particular their quality requirements.

A successful project is output-oriented not activity-oriented. An output-oriented project is one that agrees and defines the project's products prior to undertaking the activities required to produce them.

A PRINCE2® project uses Product Descriptions to provide such clarity by defining each product's purpose, composition, derivation, format, quality criteria and quality method.

PRINCE2® Principle – Tailor to Suit the Project Environment

- Main theme
  - PRINCE2® is tailored to suit the project's:
    - Environment
    - Size
    - Complexity
    - Importance
    - Capability and
    - Risk
- When tailoring PRINCE2®, it is important to remember that it requires information and decisions

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PRINCE2® Principle – Tailor to Suit the Project Environment

PRINCE2® is tailored to suit the project's environment, size, complexity, importance, capability and risk.

The value of PRINCE2® is that it can be applied regardless of project type, organization, geography or culture. The purpose of tailoring is to:

- Ensure the project management method relates to the project's environment (e.g., aligning the method to the business processes that may govern and support the project, such as human resources, finance and procurement)
- Ensure that project controls are based on the project's scale, complexity, importance, capability and risk (e.g., the reporting and reviewing frequency and formality).

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PRINCE2® Principle – Tailor to suit the project environment

Section 2.7 - Principles

PRINCE2® is tailored to suit the project's environment, size, complexity, importance, capability and risk. The value of PRINCE2® is that it can be applied regardless of project type, organization, geography or culture.

Comparison to PMBOK

- PRINCE2® is often compared and contrasted with PMBOK (Project Management Body of Knowledge)
- PRINCE2® is more focused on
  - "What" and "Why" of Project Management
  - Governance
- PMBOK is more focused on
  - "How" – Techniques of Project Management

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Comparison to PMBOK

PMBOK is made up of nine knowledge areas:

Core Functions: Scope Management, Time Management, Cost Management, Quality Management

Facilitating Functions: Human Resource Management, Communication Management, Risk Management, Procurement Management

The ninth function, Project Integration Management, is an overarching function. It affects and is affected by all knowledge areas.

PMBOK also has five process groups: Initiating, Planning, Executing, Monitoring and Controlling, Closing

One of the perceived benefits of PMBOK is the focus on Project Management techniques. Some of the techniques include EVA (Earned Value Analysis), NPV (Net Present Value), SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) and WBS (Work Breakdown Structure).

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Comparison to PMBOK

This slide is used for comparison purposes only. IT IS NOT IN THE SYLLABUS and will not be examined.

However a large number of delegates may have worked in a PMBOK environment and often ask questions about the comparison of the two methodologies.

Comparison to PMBOK

- PRINCE2®
  - A project management method
  - Prescriptive
  - An integrated set of processes and themes (not isolated silos that can be selectively applied)
  - Covers all project management roles
  - Does not cover interpersonal skills
  - References techniques
- Body of Knowledge
  - A broad collection of "good practices" for project management
  - Non-prescriptive
  - Each topic area can be referred to in isolation of others.
  - Targeted at Project Managers
  - Covers interpersonal skills
  - Describes techniques

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What PRINCE2® Does Not Provide

- Categories that are deliberately considered to be outside the scope of PRINCE2®:
  - Specialist aspects
  - Detailed techniques
  - Leadership capabilities
- **PRINCE2® tells us what should be done and why, but not how.**

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What PRINCE2® Does Not Provide

It is not intended (or possible) for PRINCE2® to cover every aspect of project management.

There are three topic categories that are deliberately considered to be outside the scope of PRINCE2®:

Specialist aspects: Industry-specific or type-specific activity is excluded.

Detailed techniques: There are many proven planning and control techniques that can be used in support of the PRINCE2® themes. Examples are Critical Path Analysis (in planning) and Earned Value Analysis (in progress control). Techniques are only included in PRINCE2® where they contribute to the specific PRINCE2® treatment of a theme (e.g., the product-based planning technique).

Leadership capability: Leadership, motivational skills and other interpersonal skills are immensely important in project management but impossible to codify in a method.

PRINCE2® is not:

- A computer software application (e.g., MS Project)
- A planning tool (Gantt chart, Critical Path Analysis, MS Project)
- "Carved in stone"; it is flexible to meet the needs of the specific project
- Unnecessarily bureaucratic or cumbersome

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Instructor Notes

What PRINCE2® does not provide

Section 1.6.1 What PRINCE2® does not provide

This slide provides more detail about the scope of PRINCE2® and what PRINCE2® does NOT cover. The main points to raise are that PRINCE2® is flexible and does NOT have to be bureaucratic. This is the main criticism of PRINCE2®.

Also mention that the use of tools, while not covered within the methodology, is very useful in real life projects.

- Restricted to IT projects
- A tool such as MS Project might be useful for planning a project but it is not mandated by PRINCE2®

PRINCE2® tells us what should be done and why, but not how.

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Organization (Theme)

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Organization (Theme)

Timing: This Organization section should take 75 mins including Case Study exercises.

Organization – Purpose

- The purpose of the Organization theme
  - To define and establish the project's structure of accountability and responsibilities
- PRINCE2® is based on a customer/supplier environment
- A successful project organization should have:
  - Business, user and supplier stakeholder representation
  - An effective strategy to manage communication flows
  - Stakeholder representation of the:
    - Business
    - Users and
    - Supplier

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Organization – Purpose

The purpose of the Organization theme is to define and establish the project's structure of accountability and responsibilities (the "who").

PRINCE2® is based on a customer/supplier environment. A successful project organization should:

- Have business, user and supplier stakeholder representation
- Ensure appropriate governance by defining responsibilities for directing, managing and delivering the project and clearly defining accountability at each level
- Have an effective strategy to manage communication flows to and from key external stakeholders

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Instructor Notes

Organization – Purpose

Section 5.1 - Purpose

PRINCE2® is based on a customer/supplier environment. It assumes that there will be a customer who will specify the desired result and probably pay for the project, and a supplier who will provide the resources and skills to deliver that result.

Every project needs effective direction, management, control and communication. Establishing an effective project organizational structure and strategy for communication at the beginning of a project, and maintaining these throughout the project's life, are essential elements of a project's success.

Remind delegates that one of the principles of PRINCE2® is that all projects must have a defined organizational structure to unite the various parties in the common aims of the project and to enable effective project governance and decision-making.

Organization – Definitions

- Definitions of key concepts of Organization
  - Project
  - Program
  - Corporate organization
  - Roles and responsibilities

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Organization – Definitions

Project

PRINCE2® defines a project as "a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case."

Program

A project can be run as a stand-alone entity or can be part of a program of related projects. A program is a temporary flexible organizational structure created to coordinate, direct and oversee the implementation of a set of related projects and activities, in order to deliver outcomes and benefits related to the organization's strategic objectives. It is likely to have a longer life than a single project.

Corporate organization

A project will exist within the wider context of a corporate organization.

Roles and Responsibilities

PRINCE2® does not define management jobs to be allocated to people on a one-to-one basis. It defines roles, each of which is defined by an associated set of responsibilities. Roles might be shared or combined according to the project's needs but the responsibilities must always be allocated.

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Organization – Definitions

Sections 5.21 to 5.2.4 - Organization

It is worthwhile distinguishing between a project and a program. This can be confusing for many delegates.

Project

PRINCE2® defines a project as 'a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case'.

Program (MSP is a program management methodology)

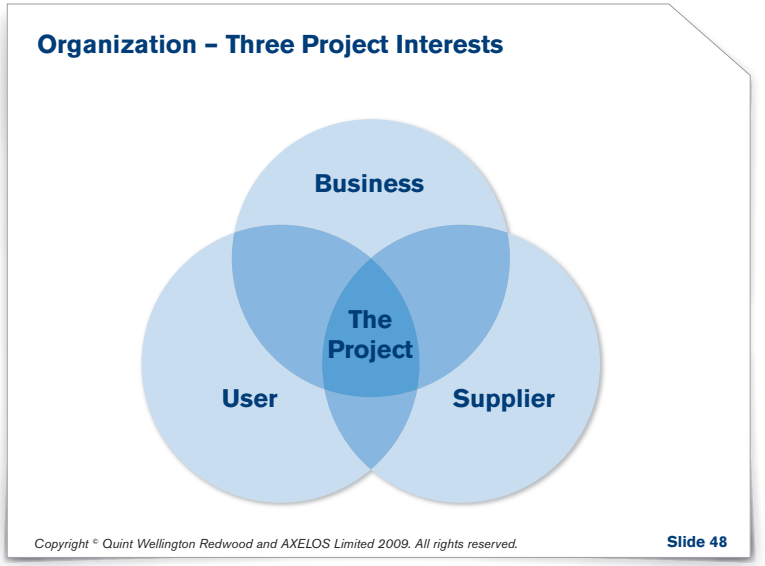
A project can be run as a stand-alone entity or can be part of a program of related projects. A program is a temporary flexible organizational structure created to coordinate, direct and oversee the implementation of a set of related projects and activities, in order to deliver outcomes and benefits related to the organization's strategic objectives. It is likely to have a longer life than a single project.

Corporate organization

A project will exist within the wider context of a corporate organization.

Roles and Responsibilities

PRINCE2® does not define management jobs to be allocated to people on a one-to-one basis. It defines roles, each of which is defined by an associated set of responsibilities. Roles might be shared or combined according to the project's needs but the responsibilities must always be allocated.



Organization – Three Project Interests

The three project interests are:

- **Business**: The products of the project should meet a business need which will justify the investment in the project. The project should also provide value for money. The Executive role is defined to look after the business interests.
- **User**: The Senior Users will represent this stakeholder interest on the Project Board. The user viewpoint should represent those individuals or groups who will operate, maintain or support the project's outputs
- **Supplier**: The supplier viewpoint should represent those who will provide the necessary skills and produce the project product. The project may require both in-house and external supplier teams to construct the project product. The Senior Suppliers will represent this stakeholder interest on the Project Board.

Note the term "customer" is also used in PRINCE2®, normally in the context of a commercial customer-supplier relationship. "Customer" can usually be interpreted as a collective term for the business and user interests.

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Organization – Three Project Interests

Section 5.2.5 - Three project interests

The level of overlap between the interests of the business, user and supplier will change according to the type of corporate organization and project. For example, if a project uses an in-house supplier, the business and supplier interests will be more likely to have overlapping interests than if an external supplier is used.

Note the term 'customer' is also used in PRINCE2®, normally in the context of a commercial customer–supplier relationship. 'Customer' can usually be interpreted as a collective term for the business and user interests. However, one example of an exception to this broad rule would be where an organization is developing a new product to bring to market. In this case, the business interest is aligned with that of the supplier and 'customer' equates simply with 'users'. Where the user interest is external to the organization sponsoring the development, as in this example, it still needs to be represented in some way – perhaps by the sales/marketing function.

Have delegates explain to the class how most of their projects run in relation to these three project interests.

Organization – Levels

- Levels of management within the project management structure

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Organization – Levels

PRINCE2® separates the direction and management of the project from the delivery of the project's outputs.

The project management structure has four levels, three of which represent the project management team and the fourth which sits outside of the project. The four levels of management are:

- **Corporate or program management**: This level sits outside the project management team but will be responsible for commissioning the project, including identifying the Executive and defining the project-level tolerances within which the Project Board will work.
- **Directing**: The Project Board is responsible for the overall direction and management of the project within the constraints set out by corporate or program management. The Project Board is accountable for the success of the project.
- **Managing**: The Project Manager is responsible for the day-to-day management of the project within the constraints set out by the Project Board. The Project Manager's prime responsibility is to ensure that the project produces the required products in accordance with the time, cost, quality, scope, risk and benefit performance goals.
- **Delivering**: While the Project Manager is responsible for the day-to-day management of the project, team members are responsible for delivering the project's products to an appropriate quality, and within a specified timescale and cost.

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Instructor Notes

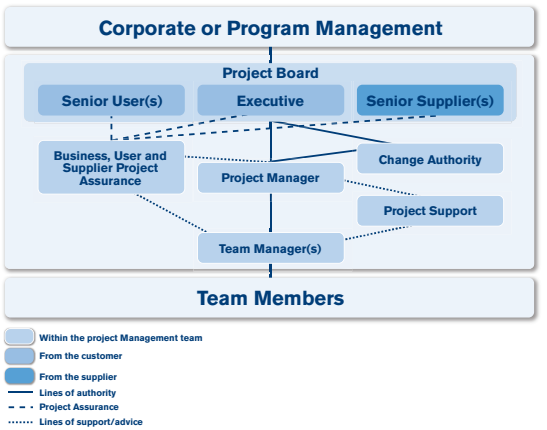
Organization – Levels

Section 5.3.1 – Organization

The project management structure has four levels, three of which represent the project management team and the fourth which sits outside of the project. The four levels of management are:

1. Corporate or program management
2. Directing
3. Managing
4. Delivering

Organization – Project Management Team



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Organization – Project Management Team

A project management team structure allows for channels of communication to decision-making forums and should be backed up by role descriptions that specify the responsibilities, goals, limits of authority, relationships, skills, knowledge and experience required for all roles in the project organization.

The Executive (representing the business viewpoint) and Senior User (representing the user viewpoint) roles can often be combined. In such cases, to avoid any conflict, two individuals could be appointed to carry out Project Assurance, one looking after the user interests and the other representing the business interests.

Some of the PRINCE2® responsibilities cannot be shared or delegated if they are to be undertaken effectively:

- The Project Manager and Executive roles cannot be shared.
- The Project Manager and Project Board decision-making accountability cannot be delegated.

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Instructor Notes

Organization – Project Management Team

Section 5.3.2.1 - Organization

This is a very important diagram. make sure delegates go through this in detail. It is the basis for the Organization Case Study question.

A project management team structure allows for channels of communication to decision-making forums and should be backed up by role descriptions that specify the responsibilities, goals, limits of authority, relationships, skills, knowledge and experience required for all roles in the project organization.

The Executive (representing the business viewpoint) and Senior User (representing the user viewpoint) roles can often be combined.

Some of the PRINCE2® responsibilities cannot be shared or delegated if they are to be undertaken effectively:

- The Project Manager and Executive roles cannot be shared
- The Project Manager and Project Board decision-making accountability cannot be delegated.

Information from this slide can be used for question 1 in the Case Study.

Organization – Project Board

- Project Board duties
  - Being accountable for the success or failure of the project in terms of the business, user and supplier interests
  - Providing the resources and authorizing the funds necessary for the successful completion of the project
  - Ensuring effective decision-making
- Project Board characteristics
  - Authority, credibility, ability to delegate, availability

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Organization – Project Board

Together, the Executive, Senior Users and Senior Suppliers make up the Project Board. The Project Board has authority and responsibility for the project. The concept of management by exception allows the Project Manager to keep them regularly informed of project progress but only requires decision-making at key points in the project.

PRINCE2® defines the duties of the Project Board as:

- Being accountable for the success or failure of the project in terms of the business, user and supplier interests
- Facilitating integration of the project management team with the functional units of the participating corporate or external organizations
- Providing the resources and authorizing the funds necessary for the successful completion of the project
- Ensuring effective decision-making
- Ensuring effective communication both within the project team and with external stakeholders

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Instructor Notes

Organization – Project Board

Section 5.3.2.2 - Organization

Together, the Executive, Senior User(s) and Senior Supplier(s) make up the Project Board. The Project Board has authority and responsibility for the project. The concept of management by exception allows the Project Manager to keep them regularly informed of project progress but only requires decision-making at key points in the project.

A good Project Board should display four key characteristics:

- **Authority**: The members of the Project Board should be senior enough within the corporate organization to make strategic decisions about the project.
- **Credibility**: The credibility of the Project Board members within the corporate organization will affect their ability to direct the project.
- **Ability to delegate**: –A key part of the Project Board's role is to ensure that the Project Manager is given enough "space" to manage the project by keeping Project Board activity at the right level.
- **Availability**: Project Board members who meet all the above characteristics are of little value to the project if they are not available to make decisions and provide direction to the Project Manager.

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Organization – Project Board Roles

- Executive
  - Responsible for the Business Case
- Senior User
  - Represents the interests of those who will use the project's products
- Senior Supplier
  - Represents the interests of those designing, developing, facilitating, procuring and implementing the project's products
  - Accountable for the quality of products delivered

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Organization – Project Board Roles

Executive

The Executive is ultimately accountable for the project's success and is the key decision-maker. The Project Board is not a democracy controlled by votes.

Throughout the project, the Executive is responsible for the Business Case and is focused throughout its life on achieving its objectives and delivering a product that will achieve the forecasted benefits.

The Executive is appointed by corporate or program management during the pre-project process of Starting Up a Project.

Senior User

The Senior User is responsible for:

- Specifying the needs of those who will use the project's products
- User liaison with the project management team
- Monitoring that the solution will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use
- Committing user resources

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Organization – Project Board Roles

Section 5.3.2.2 - Organization

Executive

The Executive is ultimately accountable for the project's success and is the key decision-maker. The Project Board is not a democracy controlled by votes.

Throughout the project, the Executive is responsible for the Business Case and is focused throughout its life on achieving its objectives and delivering a product that will achieve the forecasted benefits.

The Executive is appointed by corporate or program management during the pre-project process of Starting up a Project.

Senior User

The Senior User(s) is responsible for:

- Specifying the needs of those who will use the project's products
- User liaison with the project management team
- Monitoring that the solution will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use
- Committing user resources

The Senior User(s) specify the benefits and is held to account by demonstrating to corporate or program management that the forecasted benefits that were the basis of project approval are in fact realized. This is likely to involve a commitment beyond the end of the project's life.

Senior Supplier

The Senior Supplier(s) represents the interests of those designing, developing, facilitating, procuring and implementing the project's products.

This role is accountable for the quality of products delivered by the supplier(s) and is responsible for the technical integrity of the project.

If necessary, more than one person may be required to represent the suppliers.

The Senior User specifies the benefits and is held to account by demonstrating to corporate or program management that the forecasted benefits that were the basis of project approval are in fact realized. This is likely to involve a commitment beyond the end of the project's life.

Senior Supplier

The Senior Supplier represents the interests of those designing, developing, facilitating, procuring and implementing the project's products.

This role is accountable for the quality of products delivered by the suppliers and is responsible for the technical integrity of the project. This role will include providing supplier resources to the project and ensuring that proposals for designing and developing the products are feasible and realistic.

If necessary, more than one person may be required to represent the suppliers.

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Organization – Project Assurance

- The Project Assurance role monitors all aspects of the project's performance and products
- Project Board
  - Is responsible for Project Assurance aligned to their respective areas of concern–business, user or supplier
  - May delegate their Project Assurance responsibilities except to the Project Manager

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Organization – Project Assurance

Project Board members are responsible for the aspects of Project Assurance aligned to their respective areas of concern–business, user or supplier. The Project Board may appoint other members of the corporate organization to take a specific Project Assurance role.

Personnel involved in Project Assurance are also responsible for supporting the Project Manager, by giving advice and guidance on issues such as the use of corporate standards or the correct personnel to be involved in different aspects of the project.

The Project Board should not assign any Project Assurance roles to the Project Manager.

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Organization – Project Assurance

Section 5.3.2.3 - Organization

Project Board members are responsible for the aspects of Project Assurance aligned to their respective areas of concern – business, user or supplier. The Project Board may appoint other members of the corporate organization to take a specific Project Assurance role.

The Project Board should not assign any Project Assurance roles to the Project Manager.

Organization – Change Authority

- The Project Board may delegate authority for approving or rejecting requests for change or off-specifications.
- Depending on the severity, the request for change could be:
  - Handled by Corporate or Program Management
  - Handled by the Project Board
  - Delegated to a Change Authority
  - Delegated to the Project Manager

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Organization – Change Authority

It is the Project Board's responsibility to agree to each potential change before it is implemented.

The Project Board may wish to delegate some authority for approving or rejecting requests for change or off-specifications.

Depending on the severity, the request for change could be:

- Handled by Corporate or Program Management
- Handled by the Project Board
- Delegated to a Change Authority
- Delegated to the Project Manager

The Project Manager and/or the people with delegated Project Assurance responsibilities may act as the Change Authority.

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Instructor Notes

Organization – Change Authority

Section 5.3.2.4 - Organization

It is the Project Board's responsibility to agree to each potential change before it is implemented.

The Project Board may wish to delegate some authority for approving or rejecting requests for change or off-specifications.

The Project Manager and/or the people with delegated Project Assurance responsibilities may act as the Change Authority.

Organization – Project Manager

- The Project Manager
  - Is the single focus for day-to-day management of a project
  - Has the authority to run the project on behalf of the Project Board
  - Will normally come from the customer corporate organization, but may come from the supplier

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Organization – Project Manager

The Project Manager is the single focus for day-to-day management of a project. In a PRINCE2® environment the Project Manager role should not be shared.

The Project Manager will normally come from the customer corporate organization, but there may be projects where the Project Manager comes from the supplier.

The Project Manager is responsible for the work of all the PRINCE2® processes except Directing a Project, and appointing the Executive and Project Manager in the pre-project process Starting Up a Project. The Project Manager also delegates responsibility for the process Managing Product Delivery (MP) to the Team Managers.

The Project Manager manages the Team Managers and Project Support, and is responsible for liaison with Project Assurance and the Project Board.

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Instructor Notes

Organization – Project Manager

Section 5.3.2.6 - Organization

The Project Manager is the single focus for day-to-day management of a project. In a PRINCE2® environment the Project Manager role should not be shared.

The Project Manager will normally come from the customer corporate organization, but there may be projects where the Project Manager comes from the supplier.

The Project Manager is responsible for the work of all the PRINCE2® processes except Directing a Project, and appointing the Executive and Project Manager in the pre-project process Starting up a Project. The Project Manager also delegates responsibility for the process Managing Product Delivery (MP) to the Team Manager(s).

The Project Manager manages the Team Managers and Project Support, and is responsible for liaison with Project Assurance and the Project Board.

Organization – Team Manager

- The Team Manager
  - Primary responsibility is to ensure production of those products allocated by the Project Manager
  - Have work allocated through Work Packages
  - Usually comes from the supplier corporate organization, and may have a reporting line to a senior supplier

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Organization – Team Manager

The Team Manager's primary responsibility is to ensure production of those products allocated by the Project Manager. However, in some circumstances the Team Manager role may be assigned to the Project Manager.

PRINCE2® uses Work Packages to allocate work to Team Managers or team members.

If the Team Manager comes from the supplier corporate organization, there could be a reporting line to a Senior Supplier.

It is important to understand that the structure of the project management team does not necessarily reflect line function or seniority but represents roles on the project. A Team Manager, for example, may be more senior in the corporate organization than the Project Manager, or may be a senior representative from an external supplier. In the context of the project, however, the Team Manager reports to, and takes direction from, the Project Manager.

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Organization – Team Manager(s)

Section 5.3.2.7 - Organization

The Team Manager's primary responsibility is to ensure production of those products allocated by the Project Manager.

PRINCE2® uses Work Packages to allocate work to Team Managers or team members.

If the Team Manager comes from the supplier corporate organization, there could be a reporting line to a Senior Supplier.

It is important to understand that the structure of the project management team does not necessarily reflect line function or seniority but represents roles on the project. A Team Manager, for example, may be more senior in the corporate organization than the Project Manager, or may be a senior representative from an external supplier. In the context of the project, however, the Team Manager reports to, and takes direction from, the Project Manager.

Organization – Project Support

- Project Support
  - Is the responsibility of the Project Manager but may be delegated
  - Is responsible for administering any Configuration Management procedures
- Project Support and Project Assurance roles should be kept separate in order to maintain the independence of Project Assurance

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Organization – Project Support

Project Support is the responsibility of the Project Manager. If required, the Project Manager can delegate some of this work to a Project Support role; this may include providing administrative services or advice and guidance on the use of project management tools or configuration management. It could also provide specialist functions to a project such as planning or risk management.

Project Support is also responsible for administering any configuration management procedure and tools as defined in the Configuration Management Strategy.

Project Support and Project Assurance roles should be kept separate in order to maintain the independence of Project Assurance.

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Organization – Project Support

Section 5.3.2.8 - Organization

Project Support is the responsibility of the Project Manager. If required, the Project Manager can delegate some of this work to a Project Support role: this may include providing administrative services or advice and guidance on the use of project management tools or configuration management. It could also provide specialist functions to a project such as planning or risk management.

Project Support is also responsible for administering any configuration management procedure and tools as defined in the Configuration Management Strategy.

Project Support and Project Assurance roles should be kept separate in order to maintain the independence of Project Assurance.

Organization – Stakeholders

- Stakeholder engagement is the process of identifying and communicating effectively with those who have an interest or influence on the project's outcome.
  - It is usually carried out at the program level.
- Effective communication with key stakeholders is paramount.

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Organization – Stakeholders

There are likely to be individuals or groups who are not part of the project management team, but which may need to interact with the project or which may be affected by the project's outcome.

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Instructor Notes

Organization – Stakeholders

Section 5.3.5 - Organization

There are likely to be individuals or groups who are not part of the project management team, but which may need to interact with the project or which may be affected by the project's outcome.

Organization – Communication Management Strategy

- The Communication Management Strategy
  - A description of the means and frequency of communication to parties both internal and external to the project.
  - During the Initiating a Project process the Project Manager's responsible for documentation.
- The Project Manager should be responsible for documenting the Communication Management Strategy during the Initiating a Project process.

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Organization – Communication Management Strategy

If a formal stakeholder engagement procedure has been completed, this should also be documented as part of the Communication Management Strategy.

The Project Manager should be responsible for documenting the Communication Management Strategy during the Initiating a Project process. It is also important to review and possibly update the Communication Management Strategy at each stage boundary in order to ensure that it still includes all the key stakeholders.

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Instructor Notes

Organization – Communication Management Strategy

Section 5.3.5.3 - Organization

If a formal stakeholder engagement procedure has been completed this should also be documented as part of the Communication Management Strategy.

The Project Manager should be responsible for documenting the Communication Management Strategy during the Initiating a Project process.

Organization – Responsibilities

- Responsibilities relevant to the Organization theme
  - Corporate or program management
  - Executive
  - Senior User
  - Senior Supplier
  - Project Manager
  - Team Manager
  - Project Assurance
  - Project Support

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Organization – Responsibilities

Corporate or program management

- Appoint the Executive and (possibly) Project Manager.
- Provide information to the project as defined in the Communication Management Strategy.

Executive

- Appoint the Project Manager (if not done by corporate or program management).
- Confirm the appointments to the project management team and the structure of the project management team.
- Approve the Communication Management Strategy.

Senior User

- Provide user resources.
- Define and verify user requirements and expectations.

Senior Supplier

- Provide supplier resources.

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Instructor Notes

Organization – Responsibilities

Table 5.1 pg 43

Information on this slide can be used for question 2 in the Case Study.

Project Manager

- Develop the Communication Management Strategy.
- Review and update the Communication Management Strategy.
- Design, review and update the project management team structure.

Team Manager

- Manage project team members.
- Advise on project team members and stakeholder engagement.

Project Assurance

- Advise on selection of project team members.
- Advise on stakeholder engagement.
- Ensure that the Communication Management Strategy is appropriate and verify that planned communication activities take place.

Project Support

- Provide administrative support for the project management team.
- Administer Configuration Management strategy.

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Case Study Activity

- Organization
  - Individually, or in groups, complete the Organization activity from the Case Study

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Instructor Notes

Case Study Activity

Delegates should be split into groups of 3 or 4 members. At this stage the instructor should run through the Case Study Introduction and Project Scenario as a class. Delegates should answer the Organization questions and present back their answers to the class.

Timing: 25 mins

Starting Up a Project (SU) (Process)

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Instructor Notes

Starting Up a Project (SU) (Process)

Timing: This SU section should take 45 mins including Case Study exercises.

Starting Up a Project – Purpose

- Starting Up a Project purpose
  - To ensure that the prerequisites for Initiating a Project are in place.
  - Answers the question:do we have a viable and worthwhile project?
- Starting Up a Project activities
  - Rational decisions about the commissioning of the project are defined.
  - Key roles and responsibilities are resourced and allocated.
  - Foundation for detailed planning is available.

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Starting Up a Project – Purpose

The purpose of the Starting Up a Project process is to ensure that the prerequisites for Initiating a Project are in place by answering the question, "Do we have a viable and worthwhile project?"

The purpose of the Starting Up a Project process is as much about preventing poorly conceived projects from ever being initiated as it is about approving the initiation of viable projects.

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Instructor Notes

Starting Up a Project – Purpose

Section 12.1 – SU

The purpose of the Starting up a Project process is to ensure that the prerequisites for Initiating a Project are in place by answering the question: do we have a viable and worthwhile project?

It is also as much about preventing poorly conceived projects from ever being initiated as it is about approving the initiation of viable projects.

Starting Up a Project – Objectives

- The objective of the Starting Up a Project process are to ensure that:
  - There is a business justification for initiating the project
  - Sufficient information is available to define and confirm the scope of the project
  - The various ways the project can be delivered are evaluated and a project approach selected
  - Individuals are appointed who will undertake the work required in project initiation and
  - The work required for project initiation is planned.

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Starting Up a Project – Objectives

The objective of the Starting Up a Project process is to ensure that:

- There is a business justification for initiating the project (documented in an outline Business Case)
- All the necessary authorities exist for initiating the project
- Sufficient information is available to define and confirm the scope of the project (in the form of a Project Brief)
- The various ways the project can be delivered are evaluated and a project approach selected
- Individuals are appointed who will undertake the work required in project initiation and/or will take significant project management roles in the project
- The work required for project initiation is planned (documented in a Stage Plan)

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Instructor Notes

Starting Up a Project – Objectives

Section 12.2 - SU

This is a good summary of SU for delegates.

The objective of the Starting up a Project process is to ensure that:

- There is a business justification for initiating the project (documented in an outline Business Case)
- All the necessary authorities exist for initiating the project
- Sufficient information is available to define and confirm the scope of the project (in the form of a Project Brief)
- The various ways the project can be delivered are evaluated and a project approach selected
- Individuals are appointed who will undertake the work required in project initiation and/or will take significant project management roles in the project
- The work required for project initiation is planned (documented in a Stage Plan)

Starting Up a Project – Context

- Project mandate is the trigger to the project.
- Mandate is refined to develop the Project Brief
  - Project Brief: provide sufficient information to make the decision to initiate the project.
- Project Brief is the basis for the Project Initiation Documentation (PID)

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Starting Up a Project – Context

PRINCE2® calls the trigger for the project the project mandate. The project mandate should provide the terms of reference for the project and should contain sufficient information to identify at least the prospective Executive of the Project Board.

The mandate is refined to develop the Project Brief. The Project Brief is prepared to provide the Project Board with sufficient information to make the decision to initiate the project for this purpose. The contents of the Project Brief are later extended and refined into the Project Initiation Documentation via the Initiating a Project process.

The effort involved in Starting Up a Project will vary enormously from project to project. If the project is part of a program, the program itself should provide the Project Brief and will appoint some, if not all, members of the Project Board.

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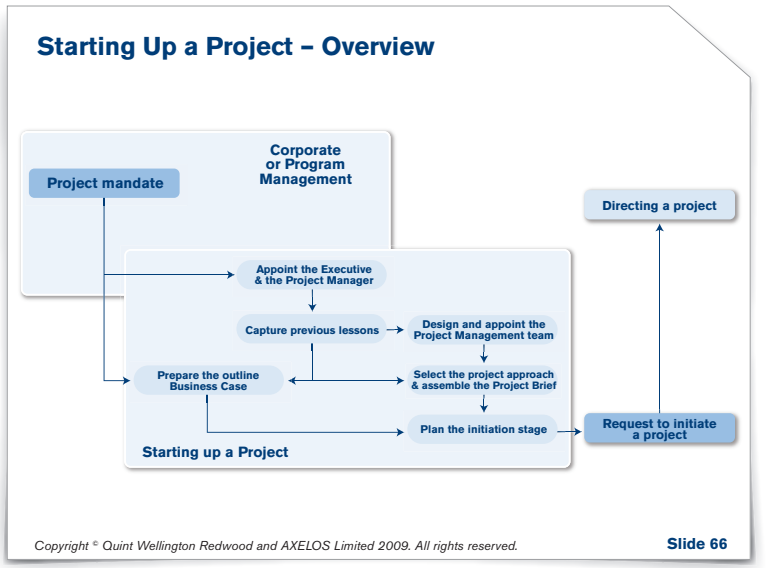
Instructor Notes

Starting Up a Project – Context

Section 12.3 - SU

PRINCE2® calls the trigger for the project the project mandate. The project mandate should provide the terms of reference for the project and should contain sufficient information to identify at least the prospective Executive of the Project Board.

The mandate is refined to develop the Project Brief. The Project Brief is prepared to provide the Project Board with sufficient information to make the decision to initiate the project. for this purpose. The contents of the Project Brief are later extended and refined into the Project Initiation Documentation via the Initiating a Project process.



Starting Up a Project – Overview

Starting Up a Project activities are likely to be shared between corporate or program management, the Executive and the Project Manager, and comprise:

- Appoint the Executive and the Project Manager.
- Capture previous lessons.
- Design and appoint the project management team.
- Prepare the outline Business Case.
- Select the project approach and assemble the Project Brief.
- Plan the initiation stage.

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Instructor Notes

Starting Up a Project Overview

Section 12.4 - SU pg 121

Have delegates note the input (Project mandate) and the output (Request to initiate a project).

Starting Up a Project – Appoint the Executive and the Project Manager (1/2)

- The Executive
  - A decision-maker with appropriate authority
  - Represents the interests of the business stakeholders
- Project Manager
  - Allows for the project to be managed on a day-to-day basis on behalf of the Executive

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Starting Up a Project – Appoint the Executive and the Project Manager (1/2)

To get anything done in the project, a decision-maker with appropriate authority is needed–the Executive–who represents the interests of the business stakeholders.

The appointment of the Executive is a prerequisite to ensuring that the project is justified.

The appointment of a Project Manager allows for the project to be managed on a day-to-day basis on behalf of the Executive.

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Instructor Notes

Starting Up a Project – Appoint the Executive and the Project Manager (1/2)

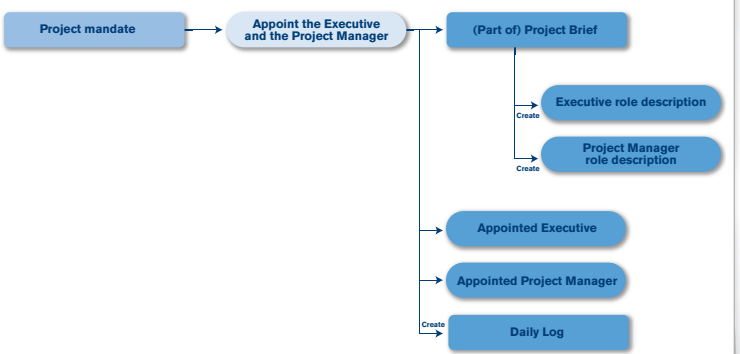
Section 12.4.1 - SU

To get anything done in the project, a decision-maker with appropriate authority is needed – the Executive – who represents the interests of the business stakeholder(s).

The appointment of the Executive is a prerequisite to ensuring that the project is justified.

The appointment of a Project Manager allows for the project to be managed on a day-to-day basis on behalf of the Executive.

Starting Up a Project – Appoint the Executive and the Project Manager (2/2)



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Starting up a Project – Appoint the Executive and the Project Manager

PRINCE2® recommends the following actions:

- Review the project mandate and check understanding
- Appoint the Executive:
  - Establish the responsibilities and role description for the Executive.
  - Confirm the selected person's availability, their acceptance of the role, and their commitment to carry it out.
  - Assign the selected person to the role of Executive.
- The Executive to appoint the Project Manager:
  - Establish the responsibilities for the Project Manager.
  - Prepare a role description for the Project Manager.
  - Confirm the selected person's availability, their acceptance of the role, and their commitment to carry it out.
  - Assign the selected person to the role of Project Manager.
- Create the Daily Log as a repository for project information that is not yet being captured elsewhere.

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Starting Up a Project – Appoint the Executive and the Project Manager (2/2)

Section 12.4.2 - SU

Also look at Table 12.1 pg 123 for responsibilities and management products for this sub-process.

Starting Up a Project – Capture Previous Lessons (1/2)

- Lessons learned from previous projects should benefit:
  - The design of the project management team
  - The outline of the Business Case
  - The contents of the Project Brief and
  - The Stage Plan for the initiation stage.

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Starting Up a Project – Capture Previous Lessons (1/2)

The design of the project management team, outline Business Case, the contents of the Project Brief, and the Stage Plan for the initiation stage may be influenced by lessons learned from previous projects.

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Instructor Notes

Starting Up a Project – Capture Previous Lessons

Section 12.4.2 - SU

The design of the project management team, outline Business Case, the contents of the Project Brief, and the Stage Plan for the initiation stage can be influenced by lessons learned from previous projects.

Starting Up a Project – Capture Previous Lessons (2/2)

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Starting Up a Project – Capture Previous Lessons (2/2)

PRINCE2® recommends the following actions:

- Create the Lessons Log.
- Review related Lessons Reports from similar previous projects to identify lessons that can be applied to this project.
- Consult with individuals or teams with previous experience of similar projects.

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Instructor Notes

Starting Up a Project – Capture Previous Lessons

Section 12.4.2 - SU

Also look at Table 12.2 pg 125 for responsibilities and management products for this sub-process.

Starting Up a Project – Design and Appoint the Project Management Team (1/2)

- Individuals involved in the management of the project must understand and agree to:
  - Who is accountable to whom for what
  - Who is responsible for what
  - What the reporting and communication lines are

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Starting Up a Project – Design and Appoint the Project Management Team (1/2)

The project needs the right people in place, with the authority, responsibility and knowledge to make decisions in a timely manner. It is essential for a well-run project that every individual involved in the management of the project understands and agrees upon who is accountable to whom for what, who is responsible for what, and what the reporting and communication lines are.

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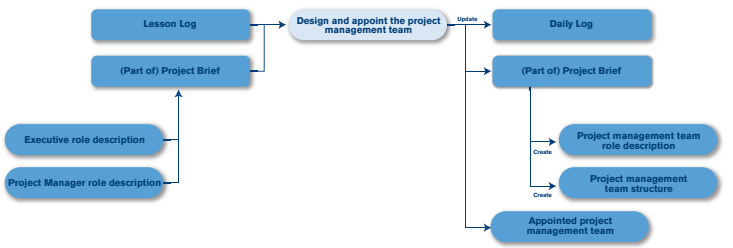
Instructor Notes

Starting Up a Project – Design and appoint the project management team

Section 12.4.3 - SU

The project needs the right people in place, with the authority, responsibility and knowledge to make decisions in a timely manner. It is essential for a well-run project that every individual involved in the management of the project understands and agrees who is accountable to whom for what, who is responsible for what, and what the reporting and communication lines are.

Starting Up a Project – Design and Appoint the Project Management Team (2/2)



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Starting Up a Project – Design and Appoint the Project Management Team (2/2)

Design the project management team:

- Prepare the project management team structure.
- Create role descriptions for the remaining Project Board roles and Project Assurance.
- Create role descriptions for the Team Managers, if needed.
- Create the role description for the Project Support role, if needed.
- Confirm the reporting and communication lines within the role descriptions.

Appoint the project management team:

- Identify candidates for each of the roles, and propose the most appropriate people for them. It is possible that candidates may not be known at this time, in which case they must be selected later.
- Confirm the selected people's availability (if they are known), their understanding and acceptance of the roles, and their commitment to carry them out.
- Assign the selected people to each of the roles identified and confirm the appointment with corporate or program management.

If any risks are identified, add them to the Daily Log.

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Instructor Notes

Starting Up a Project – Design and appoint the project management team

Section 12.4.3 - SU

Also look at Table 12.3 pg 126 for responsibilities and management products for this sub-process.

Starting Up a Project – Prepare the Outline Business Case

- The Business Case states why the work is worth doing.
- The outline Business Case is likely to be only a high-level view at this time
- It provides an agreed upon foundation for a more extensive Business Case developed in the Initiating a Project process.
- If the project is part of a program, then the Business Case may already have been defined at the program level.

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Starting Up a Project – Prepare the Outline Business Case

The Business Case states why the work is worth doing and, as such, is a crucial element of the project.

If the project is part of a program, then the Business Case may already have been defined at the program level. Given the information available, the outline Business Case is likely to be only a high-level view at this time. It provides an agreed upon foundation for a more extensive Business Case developed in the Initiating a Project process.

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Instructor Notes

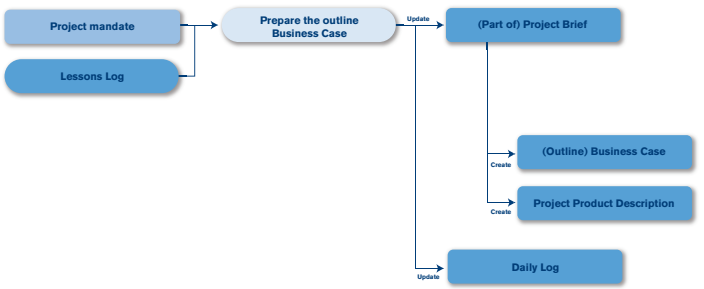
Starting Up a Project – Prepare the Outline Business Case

Section 12.4.4 - SU

The Business Case states why the work is worth doing and, as such, is a crucial element of the project. If the project is part of a program, then the Business Case may already have been defined at the program level. Given the information available, the outline Business Case is likely to be only a high level view at this time. It provides an agreed foundation for a more extensive Business Case developed in the Initiating a Project process.

Have delegates look at the Case Study for the Outline Business Case question at this stage.

Starting Up a Project – Prepare the Outline Business Case



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Starting Up a Project – Prepare the Outline Business Case

PRINCE2® recommends the following actions:

- Executive to draft the outline Business Case based on what is currently known about the project:
  - Understand the objectives of, and the reasons for, the project as defined in the project mandate
  - Understand how the project will contribute toward corporate and/or program objectives
  - Understand how the project will be funded
- Project Manager to consult with the Senior User and Executive to define what the project is to deliver, and create the Project Product Description:
  - Capture the customer's quality expectations.
  - Capture and agree upon the project's acceptance criteria.
  - Check feasibility of the timescale requirements from the project mandate or as required by the outline Business Case.
  - Determine any key milestones.
  - Capture any new risks in the Daily Log.
- Review the risks captured in the Daily Log and summarize the key risks affecting viability of the project in the outline Business Case.

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Instructor Notes

Starting Up a Project – Prepare the Outline Business Case

Section 12.4.4 - SU

Also look at Table 12.4 pg 127 for responsibilities and management products for this sub-process.

Starting Up a Project – Select the Project Approach and Assemble the Project Brief (1/2)

- An agreed upon Project Brief ensures that the project has a commonly understood and well-defined start point.
- Decisions must be made regarding how the work of the project is going to be approached. Will the solution:
  - Be developed in-house or contracted to third parties?
  - Be a modification to an existing product or built from scratch?
  - Be based on a commercial off-the-shelf product or will it require custom-designing?

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Starting Up a Project – Select the Project Approach and Assemble the Project Brief (1/2)

Before any planning of the project can be done, decisions must be made regarding how the work of the project is going to be approached.

An agreed upon Project Brief ensures that the project has a commonly understood and well-defined start point.

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Instructor Notes

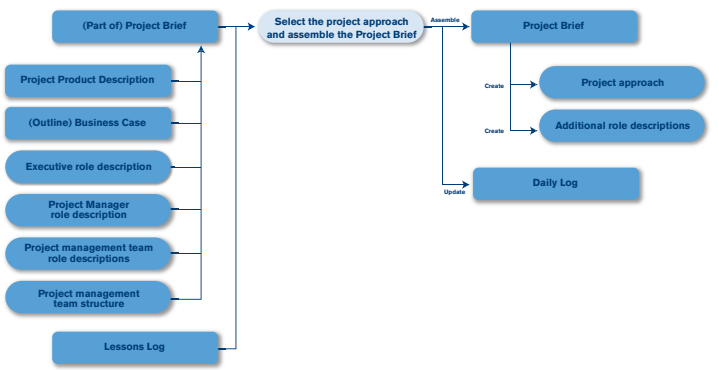
Starting Up a Project – Select the project approach and assemble the Project Brief (1/2)

Section 12.4.5 - SU

Before any planning of the project can be done, decisions must be made regarding how the work of the project is going to be approached.

An agreed Project Brief ensures that the project has a commonly understood and well-defined start.

Starting Up a Project – Select the Project Approach and Assemble the Project Brief (2/2)



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Starting up a Project – Select the Project Approach and Assemble the Project Brief (2/2)

PRINCE2® recommends the following actions:

- Decide upon the project approach appropriate to delivering the project product and achieving the outline Business Case.
- Assemble the Project Brief:
  - Define the project:
    - Confirm current status of the project.
    - Confirm the objectives and desired outcomes.
    - Confirm the project scope and exclusions.
    - Identify any constraints and assumptions.
    - Identify the project tolerances.
    - Identify the users and any other known interested parties.
- Incorporate the outline Business Case.
- Incorporate the Project Product Description.
- Incorporate the project approach.
- Incorporate the project management team structure and role descriptions.
- Use the Daily Log to record any new issues or risks.

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Starting Up a Project - Select the project approach and assemble the Project Brief (2/2)

Section 12.4.5 - SU

Also look at Table 12.5 pg 129 for responsibilities and management products for this sub-process. Information from this slide can help answer question 4 in the Case Study.

Starting Up a Project – Plan the Initiation Stage

- Initiating a Project takes time and consumes resources. The work should be planned and approved like any other project work.
- The application of PRINCE2® processes during Initiating a Project must be considered as part of the Starting Up a Project process.
  - For example, the project may choose to apply the Controlling a Stage and Managing Product Delivery processes during the Initiating a Project process.

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Starting Up a Project – Plan the Initiation Stage

Initiating a Project takes time and consumes resources. The work should be planned and approved like any other project work.

The Stage Plan for the initiation stage will also give the program management team warning of any requirements from the program.

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Starting Up a Project – Plan the initiation stage

Section 12.4.6 - SU

Initiating a Project takes time and consumes resources. The work should be planned and approved like any other project work.

The Stage Plan for the initiation stage will also give the program management team warning of any requirements from the program.

Starting Up a Project – Plan the Initiation Stage

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Starting Up a Project – Plan the Initiation Stage

PRINCE2® recommends the following actions:

- Based on the project approach, decide upon suitable management controls for the project sufficient for it to be initiated.
- Identify any constraints on time and costs for the initiation stage and produce the Stage Plan for this stage.
- Review any risks in the Daily Log and assess their impact on the Stage Plan for the initiation stage.
- Request authorization to initiate the project.

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Instructor Notes

Starting Up a Project – Plan the initiation stage

Section 12.4.6 - SU

Also look at Table 12.5 pg 129 for responsibilities and management products for this sub-process.

Starting Up a Project – Scalability

- Normal standalone project
  - All processes apply
- Project part of Program
  - Check what work has already been done
- Small project
  - Informal
  - This process can be very short and may be combined with IP.

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Starting Up a Project – Scalability

There are a number of ways that this process can be approached depending on the size and/or complexity of the project:

- If the project is not related to any other as part of a program then all the steps of this process will apply.
- However, if the project is part of a program then it is important to consider that some work within the processes may already have been completed such as the Project Board being appointed, the Project Brief (with Outline Business Case), the Project Approach and Risk.
- If the project is very small the process can usually be handled in an informal manner and can be combined with the IP process. However it is still recommended that the Starting Up process is not left out.

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Instructor Notes

Starting Up a Project – Scalability

It is important for deleagtes to understand that PRINCE2® is very scalable and can be tailored to suit any project requirements. Each process throughout the course has a section exploring how each process can be scaled appropriately.

Business Case (Theme)

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Instructor Notes

Business Case (Theme)

Timing: This Business Case section should take 60 mins including Case Study exercises.

Business Case – Purpose

- The purpose of the Business Case theme
  - To serve as a means to support decision-making in its (continued) investment by
  - Establishing mechanisms to judge whether the project is (and remains) desirable, viable and achievable.
- The Senior User is responsible for:
  - Specifying the benefits and
  - Subsequently realizing the benefits through the use of the products.
- The Executive is responsible for:
  - Ensuring that those benefits represent value for money
  - Are aligned to corporate objectives and
  - Are capable of being realized.

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Business Case – Purpose

The purpose of the Business Case 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 (continued) investment.

It is a PRINCE2® principle that a project must have continued business justification. If business justification is valid at the start of a project, but disappears once it is under way, the project should be stopped or changed.

The Senior User is responsible for specifying the benefits and subsequently realizing the benefits through the use of the products provided by the project.

The Executive is responsible for ensuring that those benefits specified by the Senior User represent value for money, are aligned to corporate objectives and are capable of being realized.

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Instructor Notes

Business Case – Purpose

Section 4.1 - BC

The purpose of the Business Case 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 (continued) investment.

It is a PRINCE2® principle that a project must have continued business justification. If business justification is valid at the start of a project, but disappears once it is under way, the project should be stopped or changed.

The Senior User(s) is responsible for specifying the benefits and subsequently realising the benefits through the use of the products provided by the project.

The Executive is responsible for ensuring that those benefits specified by the Senior User(s) represent value for money, are aligned to corporate objectives and are capable of being realized.

Business Case – What is a Business Case?

- The Business Case is used to judge whether the project is (and remains) desirable, viable and achievable, and therefore worthwhile investing in.
- Since this viability question is ongoing, the Business Case is not static.
  - The Business Case should be actively maintained throughout the life of the project and be continually updated with current information on:
    - Costs
    - Risks and
    - Benefits

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Business Case – What is a Business Case?

The Business Case is used to judge whether the project is (and remains) desirable, viable and achievable, and therefore worthwhile investing in.

Since this viability question is ongoing, the Business Case is not static. It should not be used only to gain initial funding for a project, but should be actively maintained throughout the life of the project and be continually updated with current information on costs, risks and benefits.

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Instructor Notes

Business Case – What is a Business Case?

Section 4.2.1 - BC

The Business Case is used to judge whether the project is (and remains) desirable, viable and achievable, and therefore worthwhile investing in.

Since this viability question is ongoing, the Business Case is not static. It should not be used only to gain initial funding for a project, but should be actively maintained throughout the life of the project and be continually updated with current information on costs, risks and benefits.

Business Case – Outputs, Outcomes and Benefits

- In PRINCE2®:
  - An output is any of the project's specialist products (whether tangible or intangible).
  - An outcome is the result of the change derived from using the outputs.
  - A benefit is the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders.

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Business Case – Outputs, Outcomes and Benefits

In PRINCE2®:

- An output is any of the project's specialist products (whether tangible or intangible).
- An outcome is the result of the change derived from using the outputs.
- A benefit is the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders.

Example of output, outcome and benefits

Output: New sales system

Outcome: Sales orders are processed more quickly and accurately

Benefits: Costs are reduced by 10%, volume of sales orders increased by 15% and revenue increased by 10% annually.

As the project's outcomes and benefits are often only realized after the project has closed, it is unfortunately easy for projects to become focused solely on creating products (the outputs). The link from the project's outputs to outcomes and benefits should be clearly identified and made visible to those involved, otherwise the original purpose of the project may get lost.

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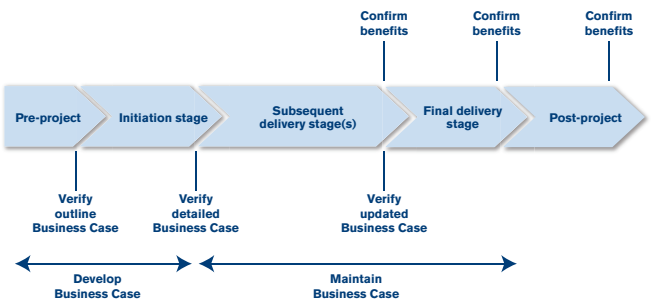
Instructor Notes

Business Case – Outputs, Outcomes and Benefits

Section 4.2.2 - BC

Explain to delegates the difference between an output, an outcome and a benefit in the context of PRINCE2®. It is important that these terms are clearly understood and not mistakenly used in the wrong context.

Business Case – Development Path



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Business Case – Development Path

In PRINCE2®, the Business Case is **developed** at the beginning of the project and 0 throughout the life of the project, being formally **verified** by the Project Board at each key decision point and **confirmed** throughout the period that the benefits accrue.

In this context:

- **Develop** means getting the right information upon which decisions can be made.
- **Verify** means assessing whether the project is (still) worthwhile.
- **Maintain** means to update the Business Case with actual costs and benefits and current forecasts for costs and benefits.
- **Confirm** means assessing whether the intended benefits have been (or will be) realized. Confirming benefits will mostly take place post-project.

The Business Case is at the center of any impact assessment of risks, issues and changes by asking the question, "How will this risk, issue or change affect the viability of the Business Case and the business objectives and benefits being sought?"

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Instructor Notes

Business Case – Development Path

Section 4.3 - BC

In PRINCE2®, the Business Case is developed at the beginning of the project and maintained throughout the life of the project, being formally verified by the Project Board at each key decision point and confirmed throughout the period that the benefits accrue.

In this context:

- Develop means getting the right information upon which decisions can be made
- Verify means assessing whether the project is (still) worthwhile
- Maintain means to update the Business Case with actual costs and benefits and current forecasts for costs and benefits
- Confirm means assessing whether the intended benefits have been (or will be) realized. Confirming benefits will mostly take place post-project.

The Business Case is at the centre of any impact assessment of risks, issues and changes.

Business Case – Developing

- In PRINCE2® the Executive is responsible for the Business Case, though may delegate the development.
- The outline Business Case is derived from the project mandate and developed pre-project in the Starting Up a Project process.
- The detailed Business Case is derived from the outline Business Case, the Project Plan (costs, timescale, products) and the Risk Register.

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Business Case – Developing

In PRINCE2® the Executive is responsible for the Business Case. It does not necessarily mean that the Executive writes the Business Case–they are simply responsible for ensuring that the Business Case is written and approved.

Development of the Business Case may be delegated, for example, to a business analyst or perhaps even to the Project Manager. In some cases program management will provide an approved Business Case as part of the Project Brief.

The detailed Business Case is derived from the outline Business Case, the Project Plan (costs, timescale, products) and the Risk Register.

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Instructor Notes

Business Case – Developing

Section 4.3.1 - BC

In PRINCE2® the Executive is responsible for the Business Case. It does not necessarily mean that the Executive writes the Business Case – they are simply responsible for ensuring that the Business Case is written and approved.

Development of the Business Case may be delegated, for example, to a business analyst or perhaps even to the Project Manager. In some cases program management will provide an approved Business Case as part of the Project Brief.

The detailed Business Case is derived from the outline Business Case, the Project Plan (costs, timescale, products) and the Risk Register.

Business Case – Verifying and Maintaining

- To drive the decision-making the Business Case should be reviewed:
  - At the end of
    - The Starting Up a Project process
    - The Initiating a Project process
    - The end of each stage or Exception Plan
  - As part of any:
    - Impact assessment by the Project Manager
    - New or revised issues or risks
  - During the final stage:
    - As part of the benefits review to determine project outcomes' succes in realizing their benefits.

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Business Case – Verifying and Maintaining

To drive the decision-making the Business Case should be reviewed:

- At the end of the Starting Up a Project process by the Project Board in order to authorize project initiation based on a reasonable justification
- At the end of the Initiating a Project process by the Project Board in order to authorize the project
- As part of any impact assessment by the Project Manager of any new or revised issues or risks
- In tandem with an Exception Plan by the Project Board in order to authorize the revised stage and the continuation of the project
- At the end of each stage by the Project Manager to determine if any of the costs, timeframes, risks or benefits require updating
- At the end of each stage by the Project Board to authorize the next stage and the continuation of the project
- During the final stage by the Project Manager to assess the project's performance against its requirements and the likelihood that the outcomes will provide the expected benefits
- As part of the benefits review (possibly by corporate or program management) to determine the success of the project outcomes in realizing its benefits

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Instructor Notes

Business Case – Verifying and Maintaining

Section 4.3.2 - BC

Delegates must understand that the Business Case is NOT a static document. They should be able to articulate at what point in the project that the Business Case is verified and maintained.

Business Case – Confirming the Benefits

- A Benefits Review Plan will use the detailed Business Case to define the scope, timing and responsibility of a number of reviews.
- The Executive is responsible for ensuring that benefits reviews are planned and executed.
- The Benefits Review Plan is first created by the Project Manager in the initiation stage and updated towards the end of each stage.

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Business Case – Confirming the Benefits

The approach to confirming benefits is to:

- Identify the benefits.
- Select objective measures that reliably prove the benefits.
- Collect the baseline measures (from which the improvements will be quantified).
- Decide how, when and by whom the benefit measures will be collected.

The Senior Users specify the benefits and are held to account by demonstrating to corporate or program management that the forecast benefits that formed the basis of project approval are in fact realized.

PRINCE2® defines a Benefits Review Plan. The project's Benefits Review Plan will use the detailed Business Case to define the scope, timing and responsibility of a number of reviews based on the timing and nature of the expected benefits.

By default, the Executive is responsible for ensuring that benefits reviews are planned and executed.

The Benefits Review Plan is first created by the Project Manager in the initiation stage and is submitted to the Project Board for approval when seeking project authorization. The Benefits Review Plan is updated towards the end of each stage with actual benefits achieved and a revised plan is created for any remaining reviews whether within or beyond the life of the project.

PRINCE2® recommends that it is kept separate from the Project Plan and Stage Plans.

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Instructor Notes

Business Case – Confirming the Benefits

Section 4.3.3 - BC

The Senior User(s) specify the benefits and are held to account by demonstrating to corporate or program management that the forecast benefits that formed the basis of project approval are in fact realized.

PRINCE2® defines a Benefits Review Plan. The project's Benefits Review Plan will use the detailed Business Case to define the scope, timing and responsibility of a number of reviews based on the timing and nature of the expected benefits.

By default, the Executive is responsible for ensuring that benefits reviews are planned and executed. The Benefits Review Plan is first created by the Project Manager in the initiation stage and is submitted to the Project Board for approval when seeking project authorization. The Benefits Review Plan is updated towards the end of each stage with actual benefits achieved and a revised plan is created for any remaining reviews whether within or beyond the life of the project.

PRINCE2® recommends that it is kept separate from the Project Plan and Stage Plans.

Business Case – Contents

- The Business Case should describe the reasons for the project based on estimated costs, risks and expected benefits.
  - An executive summary
  - Reasons
  - Business options
  - Expected benefits and disbenefits
  - Timeframes
  - Costs
  - Investment appraisal
  - Major risks

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Business Case – Contents

Reasons

The Business Case should explain the reasons why the project is required. The reasons are likely to be defined in the project mandate.

Business Options

There are three basic business options concerning any investment:

- Do nothing
- Do the minimum
- Do something

"Do nothing" should always be the starting option to act as the basis for quantifying the other options–the difference between "do nothing" and "do the minimum"/"do something" is the benefit that the investment will buy.

Expected benefits

The Business Case should list each benefit that it is claimed would be achieved by the project's outcome. It is important to define the current status of each benefit in quantifiable terms. The quantification of benefits enables benefits tolerance to be set (e.g., a 10–15% increase in sales)

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Instructor Notes

Business Case – Contents

Section 4.3.4 - BC

This is Practitioner level material...a Foundation class can skip over this content. Delegates in the Foundation class should however be expected to list the various headings of the Business Case.

Information from this slide can help answer question 3 in the Case Study.

and the measurability of the benefits ensures that they can be proven. Benefits can be financial and non-financial

The list of expected benefits will influence the set of products that the project will provide. The project should not include any products that do not directly or indirectly enable the benefits that are being sought.

Expected disbenefits

A disbenefit is an outcome perceived as negative by one or more stakeholders. Disbenefits are actual consequences of an activity. For example, a decision to merge two elements of an organization onto a new site may have benefits (e.g., better joint working), costs (e.g., expanding one of the two sites) and disbenefits (e.g., drop in productivity during the merger). These would all need to be considered and valued as part of the investment appraisal.

Timeframes

Corporate and/or program management will wish to know:

- Over what period the project costs will be incurred
- Over what period the cost/benefits analysis will be based
- When the organization can expect to accrue benefits
- What the earliest/latest feasible start date is
- What the earliest/latest feasible completion date is

Costs

The Business Case should summarize the costs derived from the Project Plan together with the assumptions upon which they are based. The costs should also include details of the ongoing operations and maintenance costs and their funding arrangements.

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Business Case – Responsibilities

- Business Case responsibilities
  - Corporate or program management
  - Executive
  - Senior User
  - Senior Supplier
  - Project Manager
  - Project Assurance
  - Project Support

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Business Case – Responsibilities

Corporate or program management

- Provide the project mandate and define any standards to which the Business Case needs to be developed.
- Hold the Senior User to account for realizing the post-project benefits enabled by the project's products.
- Responsible for the Benefits Review Plan (post-project).

Executive

- Responsible for the Business Case for the duration of the project
- Responsible for the Benefits Review Plan (for the duration of the project) unless being managed by corporate or program management
- Oversee the development of a viable Business Case, ensuring that the project is aligned with corporate strategies, and secure the funding for the project

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Instructor Notes

Business Case – Responsibilities

Section 4.4 - BC

Table 4.1 pg 28

Senior User

- Responsible for specifying the benefits upon which the Business Case is approved
- Ensure the desired outcome of the project is specified
- Ensure that the project produces products which deliver the desired outcomes
- Ensure that the expected benefits (derived from the project's outcomes) are realized
- Provide actual versus forecast benefits statement at the benefits review

Senior Supplier

- Responsible for the supplier Business Case (if external)
- Confirms that the products required can be delivered within the expected costs and are viable

Project Manager

- Prepare the Business Case on behalf of the Executive.
- Conduct impact analysis of any new or revised issues or risks that affect the project's desirability, viability or achievability, against the original basis for approving the project.
- Assess and update the Business Case at the end of each management stage.
- Assess and report on project performance at project closure.

Project Assurance

Business assurance responsibilities:

- Assist in the development of the Business Case. Verify and monitor the Business Case against external events and project progress
- Ensure the project fits with overall program or corporate strategy
- Monitor project finance on behalf of the customer
- Ensure the value-for-money solution is constantly reassessed
- Monitor changes to the Project Plan to identify any impact on the needs of the business or the Business Case
- Review the impact assessment of potential changes on the Business Case and Project Plan
- Verify and monitor the Benefits Review Plan for alignment to corporate or program management

Project Support

- The Business Case should have a baseline and therefore be under configuration management. Project Support should advise the Project Manager of any proposed or actual changes to products that affect the Business Case.

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Case Study Activity

- Business Case
  - Individually, or in groups, complete the Business Case activity from the Case Study.

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Instructor Notes

Case Study Activity

Delegates should complete the Case Study Business Case exercises as a group.

Directing a Project (Process)

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Instructor Notes

Directing a Project (Process)

Timing: This DP process section should take 60 mins including Case Study exercises.

Directing a Project – Purpose and Objectives

- Purpose
  - Enable Project Board to make key decisions and exercise overall control.
  - Delegating day-to-day managent of the project to the Project Manager.
- The objectives are to ensure that:
  - There is authority to initiate, close and deliver the project's products
  - Management direction and control are provided throughout the project's life, and that the project remains viable

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Directing a Project – Purpose and Objectives

The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager.

The objective of the Directing a Project process is to ensure that:

- There is authority to initiate the project
- There is authority to deliver the project's products
- Management direction and control are provided throughout the project's life, and that the project remains viable
- Corporate or program management has an interface to the project
- There is authority to close the project
- Plans for realizing the post-project benefits are managed and reviewed

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Instructor Notes

Directing a Project – Purpose and Objectives

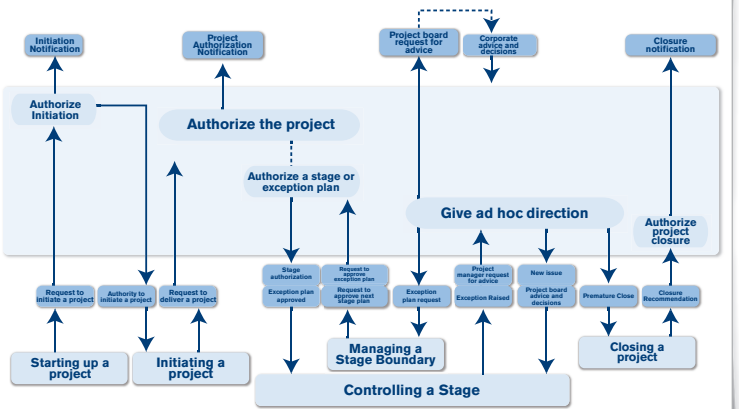
Section 13.1 and 13.2 - DP

The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager.

Remind delegates that there is a separate PRINCE2® 2009 manual dealing specifically with the Project Board and their responsibilities. This section is an overview of that manual.

Information from this slide can help answer question 5 in the Case Study.

Directing a Project – Context



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Directing a Project – Context

The Directing a Project process starts upon completion of the Starting Up a Project process and is triggered by the request to initiate a project.

The Directing a Project process does not cover the day-to-day activities of the Project Manager, but rather the activities of those at the level of management above the Project Manager. The Project Board manages by exception. There should be no need for other "progress meetings" by the Project Board.

The Project Board is responsible for assuring that there is continued business justification. The Directing a Project process provides a mechanism for the Project Board to achieve such assurance without being overburdened by project activity.

One of the functions of the Project Board is to provide informal advice and guidance to the Project Manager as well as formal direction. The Project Manager should seek advice whenever necessary during the course of the project.

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Instructor Notes

Directing a Project – Context

Section 13.3 - DP

The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project.

The Directing a Project process does not cover the day-to-day activities of the Project Manager, but the activities of those at the level of management above the Project Manager. The Project Board manages by exception. There should be no need for other 'progress meetings' for the Project Board.

The Project Board is responsible for assuring that there is continued business justification.

One of the functions of the Project Board is to provide informal advice and guidance to the Project Manager as well as formal direction. The Project Manager should seek advice whenever necessary during the course of the project.

Directing a Project – Activities

- Directing a Project activities are Project-Board-oriented and comprise:
  - Authorize initiation
  - Authorize the project
  - Authorize a Stage or Exception Plan
  - Give ad hoc direction
  - Authorize project closure

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Directing a Project – Activities

Directing a Project activities are Project Board-oriented and comprise:

- Authorize initiation
- Authorize the project
- Authorize a Stage or Exception Plan
- Give ad hoc direction
- Authorize project closure

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Directing a Project – Activities

Section 13.4 - DP

Directing a Project – Authorize Initiation (1/2)

- Projects take:
  - Time
  - Cost money

  So: activities for initiation should be planned, monitored and controlled.
- Once a request to initiate a project is received from Starting Up a Project, the Project Board must decide whether to allow the project to proceed to the initiation stage.

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Directing a Project – Authorize Initiation (1/2)

The Project Board activity to authorize initiation ensures that an investment is worthwhile.

Once a request to initiate a project is received from Starting Up a Project, the Project Board must decide whether to allow the project to proceed to the initiation stage.

The Project Board may appoint Project Assurance to undertake some of the reviewing and assessing actions (e.g., inspecting the initiation Stage Plan to confirm it is viable).

In a commercial customer-supplier relationship, the Senior Supplier may not be appointed at this point, and/or their approval of the Project Brief and its components may not be necessary in order to authorize initiation.

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Instructor Notes

Directing a Project –Authorize Initiation (1/2)

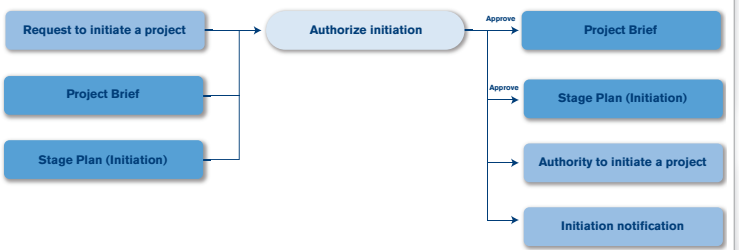
Section 13.4.1 - DP

The Project Board activity to authorize initiation ensures that an investment is worthwhile.

Once a request to initiate a project is received from Starting up a Project, the Project Board must decide whether to allow the project to proceed to the initiation stage.

In a commercial customer–supplier relationship, the Senior Supplier may not be appointed at this point, and/or their approval of the Project Brief and its components may not be necessary in order to authorize initiation.

Directing a Project – Authorize Initiation (2/2)



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Directing a Project – Authorize Initiation (2/2)

PRINCE2® recommends the following actions:

- Review and approve the Project Brief
- Review and approve the Project Product Description:
  - Confirm the customer's quality expectations
  - Confirm the acceptance criteria
- Verify that the outline Business Case demonstrates a viable project. (The detailed Business Case will be developed during the initiation stage.)
- Review and approve the Stage Plan for the initiation stage:
  - Obtain or commit the resources needed by the Stage Plan for the initiation stage.
- Inform all stakeholders and the host locations that the project is being initiated.
- Authorize the Project Manager to proceed with the initiation stage.

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Instructor Notes

Directing a Project – Authorize Initiation (2/2)

Section 13.4.1 - DP

Also look at Table 13.1 pg 137 for responsibilities and management products for this sub-process. Information from this slide can help answer question 6 in the Case Study.

Directing a Project – Authorize the Project (1/2)

- This activity is:
  - Triggered by a request from the Project Manager for authorization,
  - Should be performed in parallel with Authorize a Stage or Exception plan.
- The Project Board must confirm that:
  - An adequate and suitable Business Case exists and that it demonstrates a viable project
  - The Project Plan is adequate to deliver the Business Case

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Directing a Project – Authorize the Project (1/2)

This activity will be triggered by a request from the Project Manager for authorization to deliver the project, and should be performed in parallel with Authorize a Stage or Exception Plan.

The objective of the authorize the project activity is to decide whether to proceed with the rest of the project. The Project Board must confirm that:

- An adequate and suitable Business Case exists and that it demonstrates a viable project
- The Project Plan is adequate to deliver the Business Case
- If the project is not authorized by the Project Board, then it should be prematurely closed

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Instructor Notes

Directing a Project – Authorize the Project (1/2)

Section 13.4.2 - DP

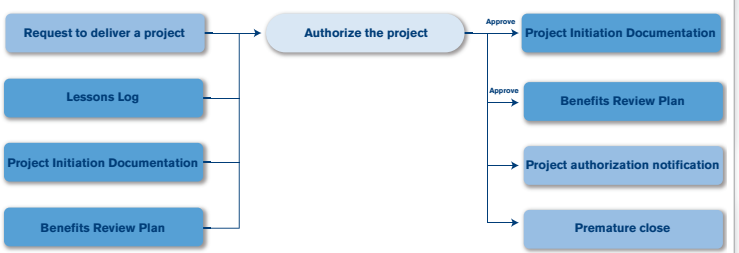
This activity will be triggered by a request from the Project Manager for authorization to deliver the project, and should be performed in parallel to Authorize a Stage or Exception Plan.

The Project Board has to confirm that:

- An adequate and suitable Business Case exists and that it shows a viable project
- The Project Plan is adequate to deliver the Business Case
- If the project is not authorized by the Project Board, then it should be prematurely closed.

Information from this slide can help answer question 15 and 16 in the Case Study.

Directing a Project – Authorize the Project (2/2)



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Directing a Project – Authorize the Project (2/2)

PRINCE2® recommends the following actions:

- Review and approve the Project Initiation Documentation:
  - Confirm that the Quality Management Strategy, Risk Management Strategy, Communication Management Strategy and Configuration Management Strategy are sufficient.
  - Confirm that all members of the project management team have agreed upon their roles.
  - Confirm the validity and achievability of the Project Plan (including any key milestones and proposed stage structure), and approve it.
  - Review and approve the Product Descriptions.
  - Review the tolerances for the project provided by corporate or program management to ensure they are appropriate and realistic.
  - Obtain or commit the resources needed by the project.
  - Verify that the Business Case demonstrates a viable project, and approve it.
- Review and approve the Benefits Review Plan.
- Notify corporate or program management and other interested parties that the project has been authorized.

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Instructor Notes

Directing a Project – Authorize the Project (2/2)

Section 13.4.2 - DP

Also look at Table 13.2 pg 139 for responsibilities and management products for this sub-process.

Directing a Project – Authorize a Stage or Exception Plan (1/2)

- The Project Board authorizes a management stage by:
  - Reviewing the performance of the current stage and,
  - Approving the Stage Plan for the next stage.
- If an exception has occurred during the stage, the Project Board may request that the Project Manager produces an Exception Plan for approval.
  - If approved, the Exception Plan will replace the plan that is in exception and will become the new baselined plan.

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Directing a Project – Authorize a Stage or Exception Plan (1/2)

The Project Board authorizes a management stage by reviewing the performance of the current stage and approving the Stage Plan for the next stage.

If an exception has occurred during the stage, the Project Board may request that the Project Manager produces an Exception Plan for Project Board approval. Only exceptions to Stage Plans or Project Plans need to be escalated for approval. Deviations from the Project Plan may require corporate or program management approval. Work Package exceptions are managed by the Project Manager using the Controlling a Stage process. If approved, the Exception Plan will replace the plan that is in exception and will become the new baselined plan.

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Instructor Notes

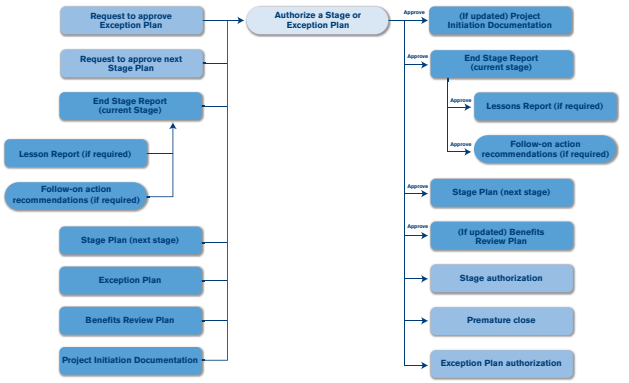
Directing a Project – Authorize a Stage or Exception Plan (1/2)

Section 13.4.3 - DP

The Project Board authorizes a management stage by reviewing the performance of the current stage and approving the Stage Plan for the next stage.

If an exception has occurred during the stage, the Project Board may request that the Project Manager produces an Exception Plan for Project Board approval. Only exceptions to Stage Plans or Project Plans need to be escalated for approval. Deviations from the Project Plan may need corporate or program management approval. Work Package exceptions are managed by the Project Manager using the Controlling a Stage process. If approved, the Exception Plan will replace the plan that is in exception and will become the new baselined plan.

Directing a Project – Authorize a Stage or Exception Plan (2/2)



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Slide 100

Directing a Project – Authorize a Stage or Exception Plan (2/2)

PRINCE2® recommends the following actions:

- Review and approve the End Stage Report.
- Review the Stage Plan or Exception Plan for which the Project Manager is seeking approval:
- Approve the plan and authorize the Project Manager to proceed with the submitted plan.
- Set tolerances for the plan being approved. (For the final stage, the Project Board should consider whether any residual tolerances from the previous stages could be assigned to the plan or whether they are better held back in reserve.)
- Communicate the status of the project to corporate or program management and keep other interested parties informed about project progress.

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Instructor Notes

Directing a Project – Authorize a Stage or Exception Plan (2/2)

Section 13.4.3 -DP

Also look at Table 13.3 pg 141 for responsibilities and management products for this sub-process. Information from this slide can help answer question 19 in the Case Study.

Directing a Project – Give Ad Hoc Direction (1/2)

- Project Board members may offer informal guidance or respond to requests for advice at any time during a project.
- There are a variety of circumstances that might prompt ad hoc direction, including:
  - Responding to requests
  - Responding to reports
  - Responding to external influences (e.g., changes in corporate priorities)

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Directing a Project – Give Ad Hoc Direction (1/2)

Project Board members may offer informal guidance or respond to requests for advice at any time during a project. The need for consultation between the Project Manager and Project Board is likely to be particularly frequent during the initiation stage and when approaching stage boundaries.

Ad hoc direction may be given collectively or by individual Project Board members. There are a variety of circumstances that might prompt ad hoc direction, including:

- Responding to requests (e.g., when options need clarifying or where areas of conflict need resolving)
- Responding to reports (e.g., Highlight Report, Exception Report, Issue Report)
- Responding to external influences (e.g., changes in corporate priorities)
- Project Board members' individual concerns
- Responding to changes in Project Board composition (that may also require corporate or program approval)

It may also be possible that corporate or program management revises the project mandate in response to events external to the project, or instructs the Project Board to close the project.

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Instructor Notes

Directing a Project – Give Ad Hoc Direction (1/2)

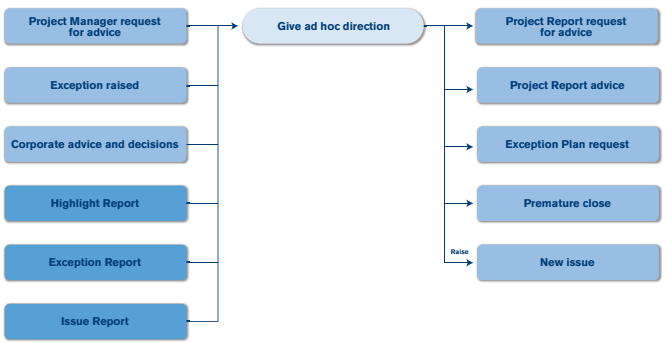
Section 13.4.4 - DP

Project Board members may offer informal guidance or respond to requests for advice at any time during a project. The need for consultation between the Project Manager and Project Board is likely to be particularly frequent during the initiation stage and when approaching stage boundaries.

Ad hoc direction may be given collectively or by individual Project Board members. There are a variety of circumstances that might prompt ad hoc direction, including:

- Responding to requests
- Responding to reports
- Responding to external influences
- Project Board members' individual concerns
- Responding to changes in Project Board composition

Directing a Project – Give Ad Hoc Direction (2/2)



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Slide 102

Directing a Project – Give Ad Hoc Direction (2/2)

PRINCE2® recommends the following actions:

- In response to informal requests for advice and guidance:
  - Seek advice from corporate or program management, if necessary.
  - Assist the Project Manager as required
- In response to an escalated Issue Report:
  - Make a decision, within the Project Board's delegated limits of authority. This decision could be regarding:
    - A problem/concern – Ask for an Exception Plan or provide guidance.
    - A request for change – Approve, defer, reject or ask for more information. Consider whether an Exception Plan is required.
    - An off-specification – Grant a concession, defer, reject or ask for more information. Consider whether an Exception Plan is required.
- In response to an Exception Report:
  - Make a decision, within the Project Board's delegated limits of authority to:
    - Increase the tolerances that are forecast to be breached
    - Instruct the Project Manager to produce an Exception Plan (stating what will

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Instructor Notes

Directing a Project – Give Ad Hoc Direction (2/2)

Section 13.4.4 - DP

Also look at Table 13.4 pg 143 for responsibilities and management products for this sub-process.

be acceptable)

- Instruct the Project Manager to close the project prematurely
- Defer the exception for a fixed period of time. This is a useful response if there is low confidence in the forecast (that tolerances will be exceeded) or if the exception is contingent on a risk occurring.

- In response to advice and decisions from corporate or program management:
  - Ensure that the project management team is kept informed of external events that may affect it.
  - Notify the Project Manager of any changes in the corporate or program environment that may impact the project, and ensure appropriate action is taken.

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Directing a Project – Authorize Project Closure (1/2)

- Authorizing closure of the project is the last activity undertaken by the Project Board.
- There must be a point when the objectives set out in the original and current versions of the Project Initiation Documentation and Project Plan are assessed in order to understand:
  - Whether the objectives have been achieved
  - How the project has deviated from its initial basis
  - That the project has nothing more to contribute

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Slide 103

Directing a Project – Authorize Project Closure (1/2)

The controlled close of a project is as important as the controlled start. There must be a point when the objectives set out in the original and current versions of the Project Initiation Documentation and Project Plan are assessed in order to understand:

- Whether the objectives have been achieved
- How the project has deviated from its initial basis
- That the project has nothing more to contribute

Without this approach, the project may never end; a project can become business as usual and the original focus on benefits will be lost.

Authorizing closure of the project is the last activity undertaken by the Project Board, prior to its own disbandment, and may require endorsement from corporate or program management.

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Instructor Notes

Directing a Project – Authorize Project Closure (1/2)

Section 13.4.5 - DP

The controlled close of a project is as important as the controlled start. There must be a point when the objectives set out in the original and current versions of the Project Initiation Documentation and Project Plan are assessed in order to understand:

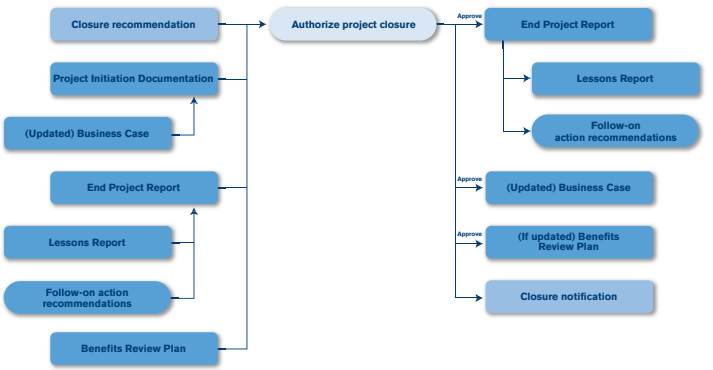
- Whether the objectives have been achieved
- How the project has deviated from its initial basis
- That the project has nothing more to contribute.

Without this approach, the project may never end; a project can become business as usual and the original focus on benefits will be lost.

Authorising closure of the project is the last activity undertaken by the Project Board, prior to its own disbandment, and may require endorsement from corporate or program management.

Information from this slide can help answer question 30 in the Case Study.

Directing a Project – Authorize Project Closure (2/2)



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Directing a Project – Authorize Project Closure (2/2)

PRINCE2® recommends the following actions:

- Review the original and current versions of the Project Initiation Documentation to understand the project's initial baseline, and current strategies and controls.
- Review and approve the End Project Report to:
  - Understand the project's actual performance against its initial basis.
  - Confirm who should receive which follow-on action recommendation as summarized in the End Project Report.
  - Review the Lessons Report and agree upon who should receive it.
  - Verify that the handover of the project's products was in accordance with the Configuration Management Strategy and, in particular, that user acceptance, and operational and maintenance acceptance, exists for each product.
- Review and gain approval for the updated Benefits Review Plan.
- Confirm the updated Business Case by comparing actual and forecast benefits, costs and risks against the original Business Case that was used to justify the project.
- Review and issue a project closure notification.

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Instructor Notes

Directing a Project – Authorize Project Closure (2/2)

Section 13.4.5 - DP

Also look at Table 13.5 pg 145 for responsibilities and management products for this sub-process. Information from this slide can help answer question 31 in the Case Study.

Directing a Project – Scalability

- The Project Board sets out the level of control of project
- May be formal or informal meetings/reports
- Regardless of project size, all decisions should be documented

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Slide 105

Directing a Project – Scalability

The Project Board is responsible for making all the decisions in the project. It also sets out the level of control required to make the project run smoothly. Depending on the size and complexity of the project, the Project Board can control the project formally with meetings, written reports and signed stage approvals, or informally by having oral exchanges of information and decision-making instead of formal meetings.

As a minimum all decisions should be documented, so that they are auditable at a later date. Regardless of the size of the project it is important that there is a clear understanding of what is needed (in writing if possible) and that the exception procedure and tolerances are set out. It is also important that the final product is formally accepted by the Customer.

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Instructor Notes

Directing a Project – Scalability

Regardless of the size of a project it is important that the Project Board is the decision making authority. The level of control may be changed to siut the project but DP must still happen.

Case Study Activity

- Directing a Project
  - Individually, or in groups, complete the Directing a Project activity from the Case Study.

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Instructor Notes

Case Study Activity

Delegates should complete the DP Case Study exercises for homework. The answers should be presented as a class discussion in the Day 2 morning review.

Day 2

Initiating a Project (Process)

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Initiating a Project (Process)

Timing: This IP section should take 90 mins including Case Study exercises.

Initiating a Project – Purpose

- Purpose of the Initiating a Project process
  - To establish solid foundations for the project, enabling the organization to understand the work that must be done to deliver the project's products before committing to a significant expenditure

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Slide 2

Initiating a Project – Purpose

The purpose of the Initiating a Project process is to establish solid foundations for the project, enabling the organization to understand the work that must be done to deliver the project's products before committing to a significant expenditure.

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Instructor Notes

Initiating a Project – Purpose

Section 14.1 - IP

The purpose of the Initiating a Project process is to establish solid foundations for the project, enabling the organization to understand the work that needs to be done to deliver the project's products before committing to a significant spend.

Initiating a Project – Objectives

- Objectives of IP is to ensure a common understanding of:
  - The reasons for executing the project, the benefits expected and the associated risks
  - The scope of what is to be done and the products to be delivered
  - How and when the project's products will be delivered and at what cost
  - How the quality required will be achieved
  - How risks, issues and changes will be identified, assessed and controlled
  - How progress will be monitored and controlled

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Slide 3

Initiating a Project – Objectives

The objective of the Initiating a Project process is to ensure that there is a common understanding of:

- The reasons for executing the project, the benefits expected and the associated risks
- The scope of what is to be done and the products to be delivered
- How and when the project's products will be delivered and at what cost
- Who is to be involved in the project decision-making
- How the quality required will be achieved
- How baselines will be established and controlled
- How risks, issues and changes will be identified, assessed and controlled
- How progress will be monitored and controlled

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Initiating a Project – Objectives

Section 14.2 - IP

The main objectives to focus on during IP include:

- The reasons for doing the project, the benefits expected and the associated risks
- The scope of what is to be done and the products to be delivered
- How and when the project's products will be delivered and at what cost
- How the quality required will be achieved
- How risks, issues and changes will be identified, assessed and controlled
- How progress will be monitored and controlled

Initiating a Project – Context

- Initiating a Project is aimed at laying down the foundations in order to achieve a successful project.
- Specifically, all parties must be clear on:
  - What the project is intended to achieve
  - Why it is needed
  - How the outcome is to be achieved
  - What their responsibilities are

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Slide 4

Initiating a Project – Context

Initiating a Project is aimed at ensuring that all parties are clear on what the project is intended to achieve, why it is needed, how the outcome is to be achieved and what their responsibilities are.

The Initiating a Project process allows the Project Board, via Directing a Project, to decide whether or not the project is sufficiently aligned with corporate or program objectives to authorize its continuation.

During the Initiating a Project process the Project Manager will be creating the suite of management products required for the level of control specified by the Project Board.

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Instructor Notes

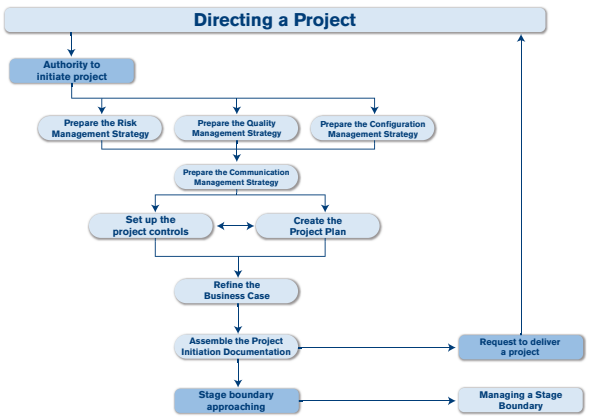
Initiating a Project – Context

Section 14.3 - IP

Initiating a Project is aimed at making sure that all parties are clear on what the project is intended to achieve, why it is needed, how the outcome is to be achieved and what their responsibilities are.

During the Initiating a Project process the Project Manager will be creating the suite of management products required for the level of control specified by the Project Board.

Initiating a Project – Activities



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Slide 5

Initiating a Project – Activities

Initiating a Project activities are Project Manager-oriented and comprise:

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

The activities to establish the strategies for the project may be executed in parallel, but it is recommended that the Communications Management Strategy is completed last as it will need to include any communications required of the other strategies. Once the strategies have been defined, it is possible to set up the project controls and create the Project Plan.

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

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Initiating a Project – Activities

Section 14.4 - IP

Have delegates pay particular attention to the activities, inputs and outputs of the IP process. There are a number of changes here from the 2005 version...in particular the focus on the various strategies and the fact that Managing a Stage Boundary process is now explicit at the end of IP.

Information from this slide can help answer question 7 in the Case Study.

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

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Initiating a Project – Prepare the Risk Management Strategy (1/2)

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

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Slide 6

Initiating a Project – Prepare the Risk Management Strategy (1/2)

The Risk Management Strategy describes:

- The goals of applying risk management
- The procedure that will be adopted
- The roles and responsibilities
- The risk tolerances
- The timing of risk management activities
- The tools and techniques that will be used
- The reporting requirements

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Initiating a Project – Prepare the Risk Management Strategy (1/2)

Section 14.4.1 - IP

Risk will be covered in more detail as a theme at the end of Day 2. Prepare delegates for this and use this as an introduction to the concept of Risk.

Also make sure delegates know the output here includes the creation of the Risk Register. This was done in the 2005 version during SU.

Initiating a Project – Prepare the Risk Management Strategy (2/2)

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Slide 7

Initiating a Project – Prepare the Risk Management Strategy (2/2)

PRINCE2® recommends the following actions:

- Review the Daily Log for any issues and risks related to risk management.
- Define the Risk Management Strategy, including:
  - The risk management procedure (e.g., identify, assess, plan, implement, communicate)
  - The roles and responsibilities for risk management activities
  - Guidance on how proximity for risks will be assessed
  - Definition of risk categories to be used
  - Tolerances relating to risk
  - Whether a risk budget will be established and if so, how controlled
- Create the Risk Register in accordance with the Risk Management Strategy, and populate it with any risks from the Daily Log.

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Instructor Notes

Initiating a Project – Prepare the Risk Management Strategy (2/2)

Section 14.4.1 - IP

Also look at Table 14.1 pg 151 for responsibilities and management products for this sub-process.

Initiating a Project – Prepare the Configuration Management Strategy (1/2)

- Configuration management is essential for the project to maintain control over its management and specialist products.
- The level of control is determined by breaking down the project's products until the level is reached at which a component can be independently installed, replaced or modified.
- The initial set of Configuration Item Records will be created during this activity.

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Initiating a Project – Prepare the Configuration Management Strategy (1/2)

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

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

The initial set of Configuration Item Records will be created during this activity. The Configuration Management Strategy will define the format and composition of the records that must be maintained.

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Initiating a Project – Prepare the Configuration Management Strategy (1/2)

Section 14.4.2 – IP

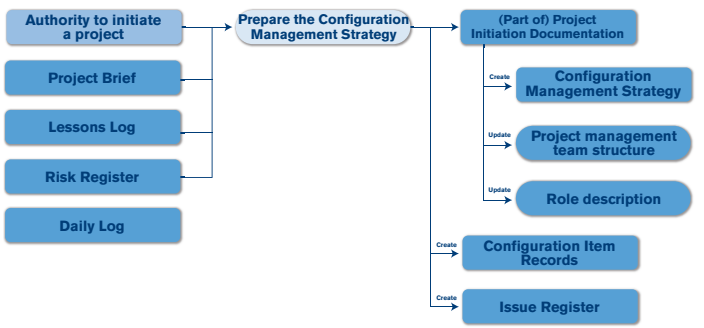
Configuration management is essential for the project to maintain control over its management and specialist products.

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

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

Configuration Management is also covered in more detail during the Change theme so this can serve as an introduction to the topic.

Initiating a Project – Prepare the Configuration Management Strategy (2/2)



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Slide 9

Initiating a Project – Prepare the Configuration Management Strategy (2/2)

PRINCE2® recommends the following actions:

- Define the Configuration Management Strategy, including:
  - The configuration management procedure (e.g., planning, identification, control, status accounting, verification and audit)
  - The issue and change control procedure (e.g., capturing, examining, proposing, deciding, implementing)
  - Timing of configuration management activities and issue and change control activities
  - The roles and responsibilities for the procedures. Consider whether a Change Authority and/or change budget should be established.
  - The scales for priority and severity of issues
- Create the initial Configuration Item Records.
- Create the Issue Register.
- If any new risks or issues are identified (or existing ones have changed), then update the Risk Register, Issue Register and/or Daily Log.

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Instructor Notes

Initiating a Project – Prepare the Configuration Management Strategy (2/2)

Section 14.4.2 - IP

Also look at Table 14.2 pg 153 for responsibilities and management products for this sub-process.

Initiating a Project – Prepare the Quality Management Strategy (1/2)

- A key success factor of any project is that it delivers what the user expects and finds acceptable.
  - Expectations are stated and agreed upon at the beginning of the project,
  - Standards to be used are defined,
  - Means of assessing achievement are defined.
- The purpose of the Quality Management Strategy is to ensure such agreements are captured and maintained.

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Initiating a Project – Prepare the Quality Management Strategy (1/2)

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

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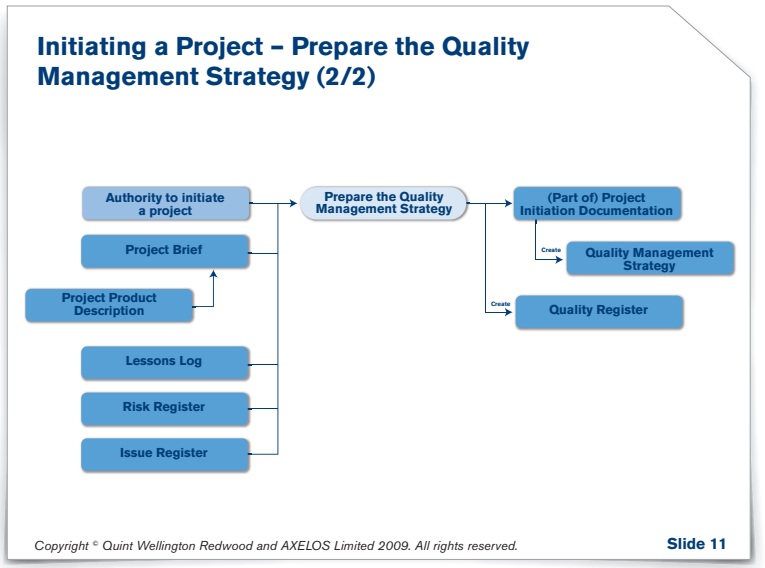
Initiating a Project – Prepare the Quality Management Strategy (1/2)

Section 14.4.3 - IP

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

Quality is also covered in more detail during the Quality theme so this can serve as an introduction to the topic.



Initiating a Project – Prepare the Quality Management Strategy (2/2)

PRINCE2® recommends the following actions:

- Review the Project Product Description to understand the customer's quality expectations and to verify that the project's acceptance criteria are sufficiently defined.
- Define the Quality Management Strategy, including:
  - The quality management procedure (e.g., quality planning, quality control, quality assurance)
  - The roles and responsibilities for quality management activities
- Create a Quality Register in readiness to record details of all quality activities.

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Instructor Notes

Initiating a Project – Prepare the Quality Management Strategy (2/2)

Section 14.4.3 - IP

Also look at Table 14.3 pg 154 for responsibilities and management products for this sub-process.

Initiating a Project – Prepare the Communication Strategy (1/2)

- The Communication Management Strategy should contain the details of how the project management team will send information to, and receive information from, the wider organizations involved with the project
- The Communication Management Strategy addresses both internal and external communications.

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Initiating a Project – Prepare the Communication Strategy (1/2)

The Communication Management Strategy should contain the details of how the project management team will send information to, and receive information from, the wider organizations involved with, or affected by, the project and in particular, where the project is part of a program, how information is to be fed to the program.

The Communication Management Strategy addresses both internal and external communications.

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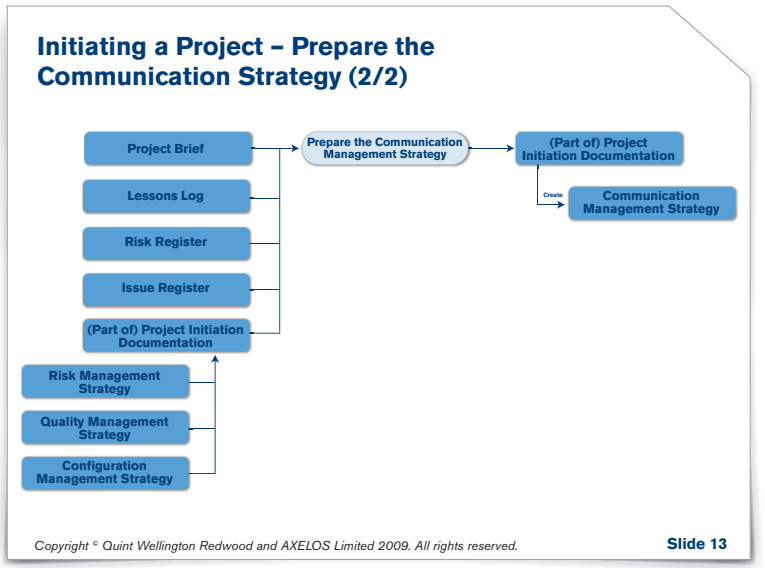
Initiating a Project – Prepare the Communication Strategy (1/2)

Section 14.4.4 - IP

The Communication Management Strategy should contain the details of how the project management team will send information to, and receive information from, the wider organization(s) involved with, or affected by, the project and in particular where the project is part of a program how information is to be fed to the program.

The Communication Management Strategy addresses both internal and external communications. Communication is covered as part of the Organization theme which has already been covered. Use this as a review.



Initiating a Project – Prepare the Communication Strategy (2/2)

PRINCE2® recommends the following actions:

- Identify and/or review stakeholder.
- Establish the information needs associated with the Quality Management Strategy, the Risk Management Strategy and the Configuration Management Strategy.
- Define the Communication Management Strategy, including:
  - The communication management procedure
  - Timing of communication activities
  - The roles and responsibilities for communication activities
  - Stakeholder analysis

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Instructor Notes

Initiating a Project – Prepare the Communication Strategy (2/2)

Section 14.4.4 - IP

Also look at Table 14.4 pg 156 for responsibilities and management products for this sub-process.

Initiating a Project – Set Up The Project Controls (1/2)

- Project controls enable the project to be managed in an effective and efficient manner.
- Effective project controls are a prerequisite for managing by exception.
- Project controls may include:
  - The frequency and format of communication between the project management levels
  - The number of stages and End Stage Assessments
  - Mechanisms to capture and analyze issues and changes
  - Mechanisms to escalate exceptions

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Initiating a Project – Set Up The Project Controls (1/2)

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

Project controls may include:

- The frequency and format of communication between the project management levels
- The number of stages and End Stage Assessments
- Mechanisms to capture and analyze issues and changes
- Mechanisms to escalate exceptions
- Tolerances for delegated authority
- How delegated authority from one level of management to another will be monitored

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

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Initiating a Project – Set Up The Project Controls (1/2)

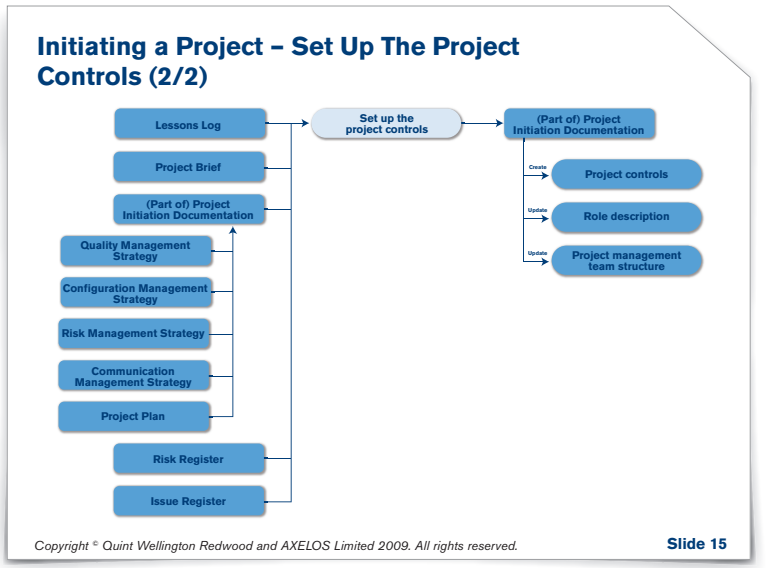
Section 14.4.5 - IP

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

Project controls can include:

- The frequency and format of communication
- The number of stages
- Mechanisms to capture and analyze issues and changes
- Mechanisms to escalate exceptions
- Tolerances for delegated authority

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



Initiating a Project – Set Up The Project Controls (2/2)

PRINCE2® recommends the following actions:

- Review the Quality Management Strategy, Configuration Management Strategy, Risk Management Strategy and Communication Management Strategy to identify the controls that must be established.
- Allocate the various levels of decision-making required within the project to the most appropriate project management level.
- Incorporate the agreed upon decision-making authority and responsibility into the project management team structure and role descriptions.
- Confirm the tolerances for the project and the escalation procedures.
- Summarize the project controls in the Project Initiation Documentation.

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Instructor Notes

Initiating a Project – Set Up The Project Controls (2/2)

Section 14.4.5 - IP

Also look at Table 14.5 pg 158 for responsibilities and management products for this sub-process.

Initiating a Project – Create the Project Plan (1/2)

- Before committing to major expenditure on the project establish:
  - The timescale and,
  - Resource requirements.
- This information is held in the Project Plan and is needed so that the Business Case can be refined and the Project Board can control the project.

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Initiating a Project – Create the Project Plan (1/2)

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

Planning is not an activity that the Project Manager does in isolation but should be done with close involvement of the users and suppliers.

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Instructor Notes

Initiating a Project – Create the Project Plan (1/2)

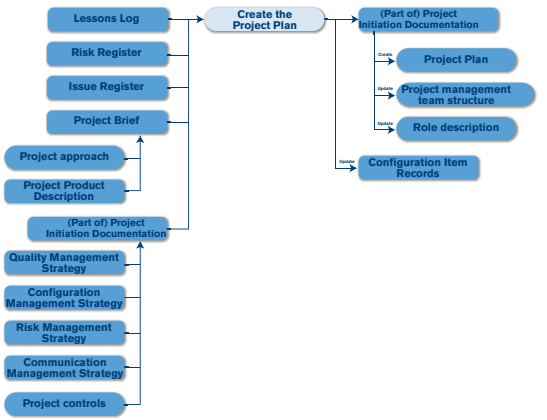
Section 14.4.6 - IP

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

Planning is not an activity that the Project Manager does in isolation but should be done with close involvement of the user(s) and supplier(s).

The details of the activities during planning and the product based planning technique are covered during Day 2. Use this as an introduction to the Plans theme.

Initiating a Project – Create the Project Plan (2/2)



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Initiating a Project – Create the Project Plan (2/2)

PRINCE2® recommends the following actions:

- Review the Project Brief to:
  - Understand what the project is to deliver and check for any predetermined milestones as defined in the Project Brief.
  - Verify understanding of any prerequisites, external dependencies, constraints and assumptions documented in the Project Brief
  - Verify understanding of the selected solution as described by the project approach
- Decide on the format and presentation of the Project Plan, given the audience for the plan, and how it will be used.
- Identify any planning and control tools to be used by the project.
- Choose the methods of estimating for the project's plans.
- Create a product breakdown structure, a product flow diagram and a Product Description for the major products in the Project Plan.
- Identify the arrangements for the transition of the project's products into operational use.
- Consider whether the Project Product Description needs updating.
- Identify and confirm resources required. Confirm the selected people's availability,

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Initiating a Project – Create the Project Plan (2/2)

Section 14.4.6 - IP

Also look at Table 14.6 pg 160 for responsibilities and management products for this sub-process.

their acceptance of these roles and their commitment to carry them out.

- Identify the activities, resources and timings for the project controls and include them in the plan.
- Identify risks associated with the plan.
- Document the Project Plan.

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Initiating a Project – Refine the Business Case (1/2)

- The Project Plan and Risk Register --> Update the Business Case produced during Starting Up a Project on the dimensions:
  - Time,
  - Costs and,
  - Risks.
- The detailed Business Case will be used by the Project Board to:
  - Authorize the project and,
  - Provide the basis of the ongoing check that the project remains viable.

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Initiating a Project – Refine the Business Case (1/2)

The outline Business Case produced during Starting Up a Project must be updated to reflect the estimated time and costs, as determined by the Project Plan, and the aggregated risks from the updated Risk Register.

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

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Initiating a Project – Refine the Business Case (1/2)

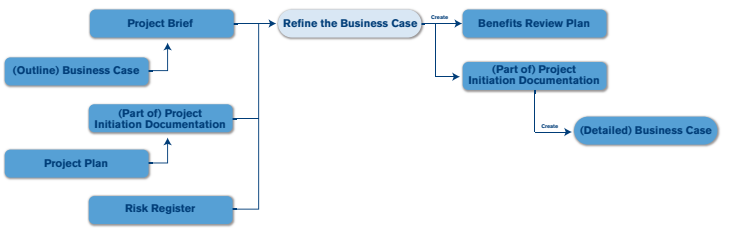
Section 14.4.7 - IP

The outline Business Case produced during Starting up a Project needs to be updated to reflect the estimated time and costs, as determined by the Project Plan, and the aggregated risks from the updated Risk Register.

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

The Business Case theme has been covered on Day 1 so this will be a good chance to embed that knowledge in a new context.

Initiating a Project – Refine the Business Case (2/2)



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Initiating a Project – Refine the Business Case (2/2)

PRINCE2® recommends the following actions:

- Create the detailed Business Case with the additional detail gained, such as:
  - The costs and timescale as calculated in the Project Plan
  - The major risks that affect the viability and achievability of the project (from the Risk Register)
  - The benefits to be gained
  - Confirm the tolerances allowed for each of the benefits
- Create the Benefits Review Plan:
  - Review the Business Case and check understanding of the benefits expected of the project.
  - Identify how the achievement of each benefit is to be measured and capture the current baseline measures.
  - Identify timing of benefits reviews (most likely to align to stage boundaries).

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Instructor Notes

Initiating a Project – Refine the Business Case (2/2)

Section 14.4.7 - IP

Also look at Table 14.7 pg 162 for responsibilities and management products for this sub-process.

Initiating a Project – Assemble the PID (1/2)

- The Project Initiation Documentation is an aggregation of many of the management products created during initiation and used to gain authorization for the project to proceed.
- The version of the Project Initiation Documentation will be used later as a means to compare the project's actual performance against the original forecasts that formed the basis of approval.

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Initiating a Project – Assemble the PID (1/2)

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

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

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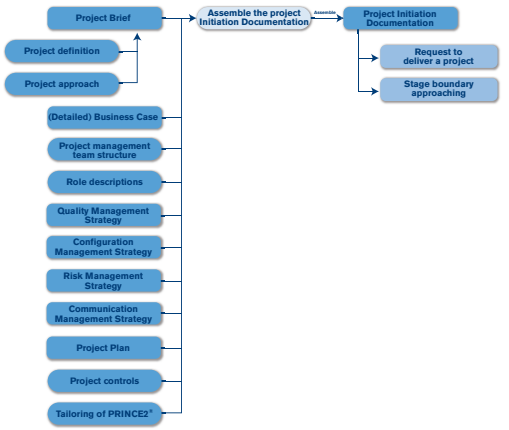
Initiating a Project – Assemble the PID (1/2)

Section 14.4.8 - IP

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

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

Initiating a Project – Assemble the PID (2/2)



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Initiating a Project – Assemble the PID (2/2)

PRINCE2® recommends the following actions:

- Include or reference information in the:
  - Project's management team structure and role descriptions
  - Business Case
  - Quality Management Strategy
  - Configuration Management Strategy
  - Risk Management Strategy
  - Communication Management Strategy
  - Project Plan
- Include or reference the project controls and summarize how the project has tailored PRINCE2®.
- Assemble the Project Initiation Documentation.
- Prepare for the next stage (triggers Managing a Stage Boundary process).
- Request authority from the Project Board to deliver the project.

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Instructor Notes

Initiating a Project – Assemble the PID (2/2)

Section 14.4.8 - IP

Also look at Table 14.8 pg 164 for responsibilities and management products for this sub-process.

Also point out to delegates that there is a stage boundary approaching at this stage. This will invoke the Managing a stage boundary process which will be covered in detail during Day 3. It would be appropriate at this stage to briefly introduce the Managing a stage boundaty process to delegates.

Information from this slide can help answer question 17 in the Case Study.

Initiating a Project – Scalability

- For small projects SU and IP can be combined
  - Combine project brief and project plan to form PID
  - Also need stage plan

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Initiating a Project – Scalability

If the project is part of a program the amount of work involved in this process may be reduced. Depending on how much work is done the project manager may have to prepare the Project Initiation Document, the next stage plan and the various strategies. The project manager still has the responsibility to ensure that any initiation product provided by the program is complete and satisfactory.

For small projects the outcome of Preparing a Project Brief might be sufficient for the initiation stage when combined with the project plan and the next stage plan. In this case, the two processes of Starting Up a Project (SU) and Initiating a Project (IP) can be combined. The Authorizing Initiation (from Directing a Project) may be replaced by a very informal agreement between project manager and project board if this occurs.

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Case Study Activity

- Initiating a Project
  - Individually, or in groups, complete the Initiating a Project activity (Project Initiation Document) from the case study.

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Plans (Theme)

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Plans (Theme)

Timing: This Plans section should take 75 mins including Case Study exercises.

Please note that the Plans theme now incorporates the Planning process activities and Product Based planning technique from the PRINCE2® 2005 version.

Plans – Purpose

- The purpose of the Plans 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").
- The development and maintenance of credible plans provides a baseline against which progress can be measured.

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Plans - Purpose

The purpose of the Plans 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").

Effective project management relies on effective planning as without a plan there is no control. Planning provides all personnel involved in the project with information on:

- What is required
- How it will be achieved and by whom, using what specialist equipment and resources
- When events will happen
- Whether the targets (for time, cost, quality, scope, risk and benefits) are achievable

The Plans theme provides a framework to design, develop and maintain the project's plans (Project Plan, Stage Plans and Team Plans).

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Instructor Notes

Plans – Purpose

Section 7.1 - Plans

The purpose of the Plans 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).

Effective project management relies on effective planning as without a plan there is no control.

The Plans theme provides a framework to design, develop and maintain the project's plans (Project Plan, Stage Plans and Team Plans).

Plans – Plans Defined

- PRINCE2® requires a product-based approach to planning
- Plans are the backbone of the management information system required for any project.
  - It is important that plans are kept in line with the Business Case at all times.
  - A plan requires the approval and commitment of the relevant levels of the project management team.
- Poorly planned projects cause frustration, waste and rework.

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Plans – Plans Defined

A PRINCE2® plan is a document describing how, when and by whom a specific target or set of targets is to be achieved. These targets will include the project's products, timeframes, costs, quality and benefits.

It is important that plans are kept in line with the Business Case at all times. A plan requires the approval and commitment of the relevant levels of the project management team.

Planning is the act or process of making and maintaining a plan. Planning is essential, regardless of the type or size of the project; it is not a trivial exercise but is vital to the success of the project. Without effective planning, the result of complex projects cannot be predicted in terms of scope, quality, risk, timescale, cost and benefits. It is, therefore, essential to allocate sufficient time for the planning stage.

PRINCE2® requires a product-based approach to planning.

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Plans – Plans Defined

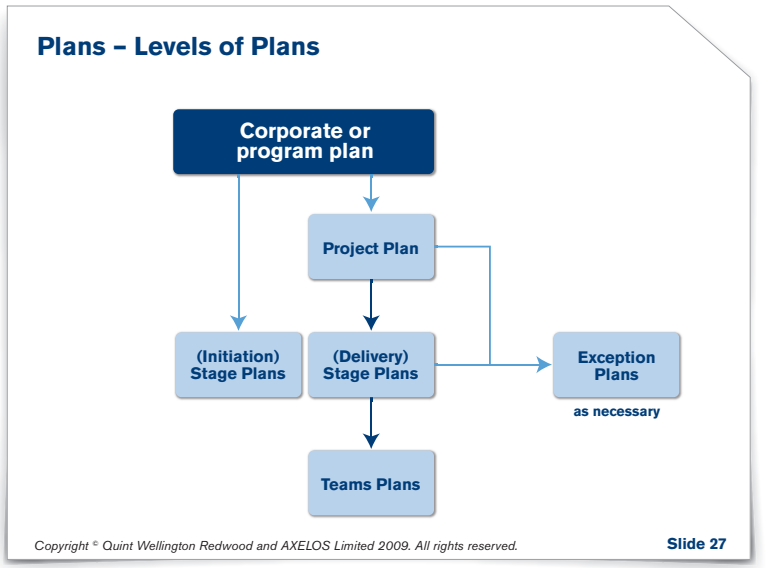
Section 7.2.1 and 7.2.2 - Plans

A PRINCE2® plan is a document describing how, when and by whom a specific target or set of targets is to be achieved. These targets will include the project's products, timescales, costs, quality and benefits.

It is important that plans are kept in line with the Business Case at all times. A plan requires the approval and commitment of the relevant levels of the project management team.

It is essential to allocate sufficient time for the planning stage.

The key point for delegates to understand is that PRINCE2® requires a product-based approach to planning.



Plans – Levels of Plans

Plans must be produced at different levels of scope and detail. The period of time for which it is possible to accurately plan is known as the planning horizon. Because of this, it is seldom desirable, or possible, to plan an entire project in detail at the start.

PRINCE2® recommends three levels of plan to reflect the needs of the different levels of management involved in the project, stage and team.

The Project Plan is created by the Initiating a Project process.

The initiation Stage Plan is created by the Starting Up a Project process and each subsequent Stage Plan is created by the Managing a Stage Boundary process. Team Plans are created by the Managing Product Delivery process.

The only other plan in PRINCE2® is the Benefits Review Plan. This covers activities during and after the project and, therefore, may be part of a corporate or program plan. The Benefits Review Plan covers corporate, project and stage levels.

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Plans – Levels of Plans

Section 7.2.3 - Plans

Plans need to be produced at different levels of scope and detail. The period of time for which it is possible to accurately plan is known as the planning horizon. Because of this, it is seldom desirable, or possible, to plan an entire project in detail at the start. Make sure delegates really undestand this crucial point as it is one way that PRINCE2® differs from other project management methodologies.

The Project Plan is created by the Initiating a Project process.

The initiation Stage Plan is created by the Starting up a Project process and each subsequent Stage Plan is created by the Managing a Stage Boundary process. Team Plans are created by the Managing Product Delivery process.

There is a new plan in PRINCE2® 2009 and this is the Benefits Review Plan. This covers activities during and after the project and therefore may be part of a corporate or program plan. The Benefits Review Plan covers corporate, project and stage levels.

Plans – Project Plan

- The Project Plan provides a statement of how and when a project's time, cost, scope and quality performance targets are to be achieved.
- The Project Plan:
  - Provides the Business Case with planned project costs and timeframes, and identifies the major control points, such as management stages and milestones
  - Is used by the Project Board as a baseline against which to monitor project progress stage-by-stage

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Plans – Project Plan

The Project Plan provides a statement of how and when a project's time, cost, scope and quality performance targets are to be achieved, by showing the major products, activities and resources required for the project.

The Project Plan:

- Provides the Business Case with planned project costs and timescales, and identifies the major control points, such as management stages and milestones
- Is used by the Project Board as a baseline against which to monitor project progress stage-by-stage

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Instructor Notes

Plans – Project Plan

Section 7.2.4 - Plans

Remind delegates that the Project Plan is produced as part of the IP process and is included in the PID. The Project Plan provides a statement of how and when a project's time, cost, scope and quality

performance targets are to be achieved, by showing the major products, activities and resources required for the project.

The Project Plan:

- Provides the Business Case with planned project costs and timescales, and identifies the major control points, such as management stages and milestones
- Is used by the Project Board as a baseline against which to monitor project progress stage by stage

Plans – Stage Plan

- A Stage Plan is required for each management stage.
- Each Stage Plan for the next management stage is produced near the end of the current management stage. This approach allows the Stage Plan to:
  - Be produced close to the time when the planned events will take place
  - Exist for a much shorter duration than the Project Plan (thus overcoming the planning horizon issue)
  - Be produced with the knowledge of the performance of earlier management stages

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Plans – Stage Plan

A Stage Plan is required for each management stage. The Stage Plan is similar to the Project Plan in content, but each element will be broken down to the level of detail required to be an adequate basis for day-to-day control by the Project Manager.

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Plans – Stage Plan

Section 7.2.5 - Plans

A Stage Plan is required for each management stage. The Stage Plan is similar to the Project Plan in content, but each element will be broken down to the level of detail required to be an adequate basis for day-to-day control by the Project Manager.

Stage Plans are produced within the Managing a Stage Boundary process which is covered during Day 3. This can be an introduction to the Stage Plan.

Plans – Team Plan

- A Team Plan is produced by a Team Manager to facilitate the execution of one or more Work Packages.
- Team Plans are optional.
- PRINCE2® does not prescribe the format or composition of a Team Plan; therefore, the formality of the Team Plan could vary from simply appending a schedule to the Work Package to a fully-formed plan in similar style to a Stage Plan.

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Plans – Team Plan

A Team Plan is produced by a Team Manager to facilitate the execution of one or more Work Packages. Team Plans are optional; their need and number will be determined by the size and complexity of the project and the number of resources involved.

PRINCE2® does not prescribe the format or composition of a Team Plan. The formality of the Team Plan could vary from simply appending a schedule to the Work Package to a fully-formed plan in similar style to a Stage Plan.

The Team Managers may create their Team Plans in parallel to the Project Manager creating the Stage Plan for the management stage.

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Plans – Team Plan

Section 7.2.6 - Plans

A Team Plan is produced by a Team Manager to facilitate the execution of one or more Work Packages. Team Plans are optional.

PRINCE2® does not prescribe the format or composition of a Team Plan. The formality of the Team Plan could vary from simply appending a schedule to the Work Package to a fully formed plan in similar style to a Stage Plan.

The Team Manager(s) may create their Team Plans in parallel to the Project Manager creating the Stage Plan for the management stage.

Plans – Exception Plan

- An Exception Plan shows the actions required to recover from the effect of a tolerance deviation.
  - If approved, the Exception Plan will replace the plan that is in exception.
  - An Exception Plan is prepared to the same level of detail as the plan it replaces.
- Replacement of a Project Plan should be referred to corporate or program management.
  - Exception Plans are not produced for Work Packages.

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Plans – Exception Plan

An Exception Plan is a plan prepared for the appropriate management level to show the actions required to recover from the effect of a tolerance deviation. If approved, the Exception Plan will replace the plan that is in exception and it will become the new baselined Project Plan or current Stage Plan, as appropriate.

If a Stage Plan is being replaced, this will require the approval of the Project Board. Replacement of a Project Plan should be referred by the Project Board to corporate or program management if it is beyond the authority of the Project Board.

An Exception Plan picks up from the current plan actuals and continues to the end of that plan.

Exception Plans are not produced for Work Packages. Should a Team Manager forecast that the assigned Work Package may exceed tolerances, they will notify the Project Manager by raising an issue.

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Plans – Exception Plan

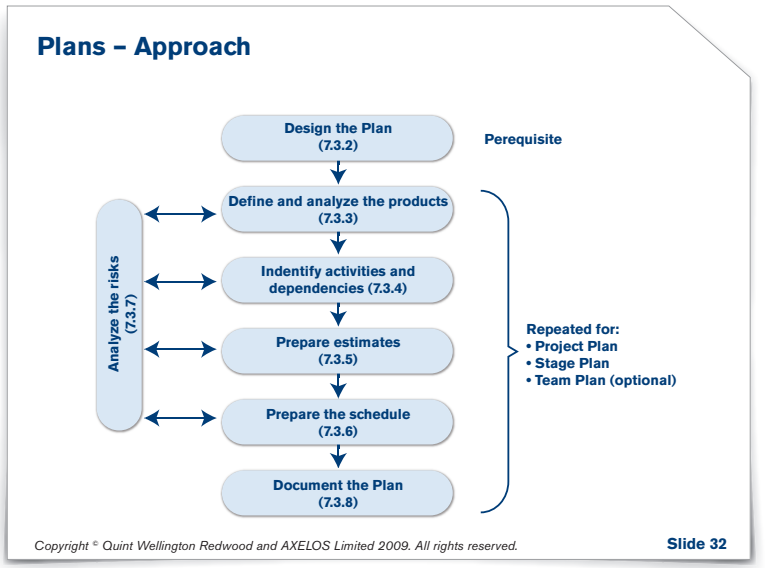
Section 7.2.7 - Plans

An Exception Plan is a plan prepared for the appropriate management level to show the actions required to recover from the effect of a tolerance deviation. If approved, the Exception Plan will replace the plan that is in exception and it will become the new baselined Project Plan or current Stage Plan as appropriate.

If a Stage Plan is being replaced, this needs the approval of the Project Board. Replacement of a Project Plan should be referred by the Project Board to corporate or program management if it is beyond the authority of the Project Board. This is a crucial point of understanding for delegates.

An Exception Plan picks up from the current plan actuals and continues to the end of that plan.

Exception Plans are not produced for Work Packages. Should a Team Manager forecast that the assigned Work Package may exceed tolerances, they will notify the Project Manager by raising an issue. This is also an important point for students to understand. (This is different from PRINCE2® 2005.)



Plans – Approach

The philosophy behind producing plans in PRINCE2® is that the products required are identified first, and only then are the activities, dependencies and resources required to deliver those products identified. This is known as product-based planning and is used for the Project Plan, Stage Plan and optionally, the Team Plan.

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Instructor Notes

Plans – Approach

Section 7.3.1 - Plans

The philosophy behind producing plans in PRINCE2® is that the products required are identified first, and only then are the activities, dependencies and resources required to deliver those products identified. This is known as product-based planning and is used for the Project Plan, Stage Plan and optionally the Team Plan.

Please note that this diagram is almost identical to the PRINCE2® 2005 Planning process that has now been incorporated into the Plans theme. Therefore there has not been a loss of any information in this area between versions.

Information from this slide can help answer question 8 in the Case Study.

Plans – Design the Plan

- Decisions must be made about:
  - How the plan can best be presented
  - The audience for the plan and how it will be used
  - The presentation and layout of the plan
  - Planning tools
  - Estimating methods
  - Levels of plan
  - Monitoring methods to be used for the project

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Plans – Design the Plan

Decisions must be made about how the plan can best be presented, given the audience for the plan and how it will be used, together with the presentation and layout of the plan, planning tools, estimating methods, levels of plan, and monitoring methods to be used for the project.

The estimating methods to be used in the plan may affect the plan design, so decisions on the methods should be made as part of the plan design itself.

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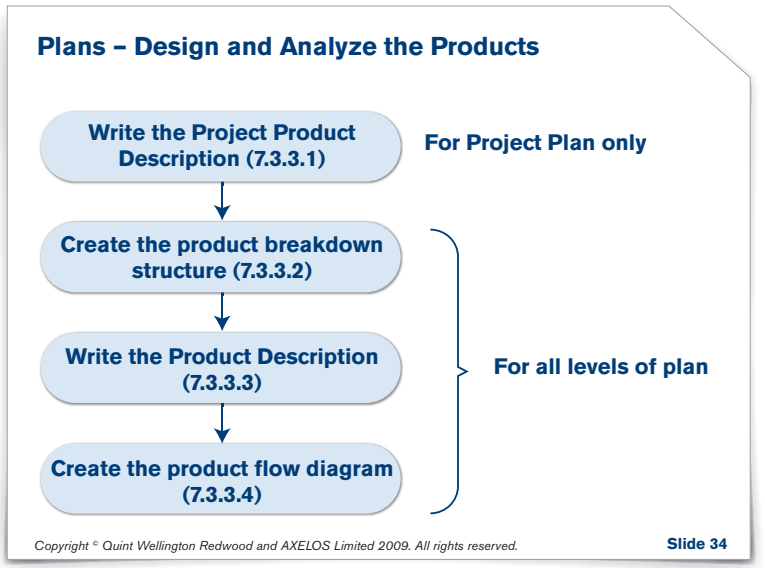
Plans – Design the Plan

Section 7.3.2 - Plans

Decisions need to be made about how the plan can best be presented, given the audience for the plan and how it will be used, together with the presentation and layout of the plan, planning tools, estimating methods, levels of plan, and monitoring methods to be used for the project.

The estimating methods to be used in the plan may affect the plan design, so decisions on the methods should be made as part of the plan design itself.



Plans – Design and Analyze the Products

PRINCE2® uses a technique known as product-based planning to identify, define and analyze the plan's products.

Product-based planning is likely to be iterative. In the case of Product Descriptions, this means that at first it may comprise simply a title and a statement of purpose. Therefore, in the following note, "write" (as in "write a Product Description") should be interpreted as meaning "commence to write, and proceed to complete as fully as appropriate as soon as convenient."

The benefits of product-based planning include:

- Clearly and consistently identifying and documenting the plan's products and the interdependencies between them. This reduces the risk of important scope aspects being neglected or overlooked.
- Removing any ambiguity concerning expectations
- Involving users in specifying the product requirements thus increasing buy-in and reducing approval disputes
- Improving communication: the product breakdown structure and product flow diagram provide simple and powerful means of sharing and discussing options for the scope and approach to be adopted for the project
- Clarifying the scope boundary: defining products which are in and out of the scope for the

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Plans – Design the Plan

Section 7.3.3 - Plans

Make sure to spend enough time explaining the four levels of this diagram. The top level is new to the current version of PRINCE2®.

PRINCE2® uses a technique known as product-based planning to identify, define and analyze the plan's products.

Product-based planning is likely to be iterative. In the case of Product Descriptions, this means that at first it may comprise simply a title and a statement of purpose. Therefore, in the following note, 'write' (as in 'write a Product Description') should be interpreted as meaning 'commence to write, and proceed to complete as fully as appropriate as soon as convenient'.

Make sure that the benefits of product-based planning are covered for delegates.

plan and providing a foundation for change control, thus avoiding uncontrolled change or "scope creep"

- Identifying products which are external to the plan's scope but are necessary for it to proceed, and allocating them to other projects or organizations
- Preparing the way for the production of Work Packages for suppliers

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Plans – Identify Activities and Dependencies

- Activities
  - The activities required to create or change each of the planned products must be identified.
  - Should include management and quality-checking activities as well as the activities needed to develop the specialist products
- Dependencies
  - Any dependencies between activities and products should also be identified.
  - There are two types of dependencies: internal and external.

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Plans – Identify Activities and Dependencies

Activities

Simply identifying products may be insufficient for scheduling and control purposes. The activities required to create or change each of the planned products need to be identified to give a fuller picture of the plan's workload.

The activities should include management and quality-checking activities as well as the activities needed to develop the specialist products.

Dependencies

Any dependencies between activities and products should also be identified. There are two types of dependency: internal and external. An example of an internal dependency is that activity C cannot start until activities A and B have been completed. External dependencies may be, for example:

- The delivery of a product required by this project from another project
- The provision of a purchase order by the user
- A decision from program management

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Plans – Identify Activities and Dependencies

Section 7.3.4 - Plans

Activities

The activities should include management and quality-checking activities as well as the activities needed to develop the specialist products.

Dependencies

Any dependencies between activities and products should also be identified. There are two types of dependency: internal and external. An example of an internal dependency is that activity C cannot start to until activities A and B have been completed. External dependencies may, for example, be:

- The delivery of a product required by this project from another project
- The provision of a purchase order by the user

Plans – Prepare Estimates

- An estimate of the time and resources required for a piece of work must be made by:
  - Identifying the type of resources required. Requirements may include non-human resources, such as equipment, travel or money.
  - Estimating the effort required for each activity by resource type
- Example estimating techniques:
  - Top-down estimating
  - Bottom-up estimating

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Plans – Prepare Estimates

A decision about the time and resources required to carry out a piece of work to acceptable standards of performance must be made by:

- Identifying the type of resources required. Specific skills may be required depending on the type and complexity of the plan. Requirements may include non-human resources, such as equipment, travel or money.
- Estimating the effort required for each activity by resource type. At this point, the estimates will be approximate and therefore provisional.

Examples of estimating techniques

- **Top-down estimating** – Once a good overall estimate has been arrived at for the plan (by whatever means), it can be subdivided down through the levels of the product breakdown structure. By way of example, historically development may be 50% of the total and testing may be 25%. Subdivide development and testing into their components and apportion the effort accordingly.
- **Bottom-up estimating** – Each individual piece of work is estimated on its own merit. These are then added together to find the estimated efforts for the various summary level activities and overall plan.

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Plans – Prepare Estimates

Section 7.3.5 - Plans

There is considerable detail that could be added at this point about examples of estimating. Delegates do not need to understand the detail surrounding this topic. However there is detail provided in the student notes should any delegates have further questions.

Estimating

A decision about how much time and resource are required to carry out a piece of work to acceptable standards of performance must be made by:

- Identifying the type of resources required. Requirements may include non-human resources, such as equipment, travel or money
- Estimating the effort required for each activity by resource type. At this point, the estimates will be approximate and therefore provisional.

- **Top-down and bottom-up approach** – An overall estimate is calculated for the plan. Individual estimates are then calculated, or drawn from previous plans, to represent the relative weights of the tasks. The overall estimate is then apportioned across the various summary and detailed level tasks using the bottom-up figures as weights.
- **Comparative estimating** – Much data exist about the effort and duration required for particular items of work.
- **Parametric estimating** – Base estimates on measured/empirical data, where possible (for example, estimating models exist in the construction industry that predict materials, effort and duration based on the specification of a building).
- **Single-point estimating** – The use of sample data to calculate a single value will serve as a "best guess" for the duration of an activity.
- **Three-point estimating** – Ask appropriately skilled resources for their best-case, most likely and worst-case estimates. The value that the Project Manager should choose is the weighted average of these three estimates.
- **Delphi technique** – This relies on obtaining group input for ideas and problem-solving without requiring face-to-face participation. It uses a series of questionnaires interspersed with information summaries and feedback from preceding responses to achieve an estimate.

Basic rules for estimating

Many books and software packages include some basic rules to help ensure that an accurate and realistic estimate is produced. Examples of such planning rules include:

- Assume that resources will only be productive for, say, 80% of their time.
- Resources working on multiple projects take longer to complete tasks because of time lost switching between them.
- People are generally optimistic and often underestimate how long tasks will take.
- Make use of other people's experiences and your own.
- Ensure that the person responsible for creating the product is also responsible for creating the effort estimates.
- Always build in provision for problem-solving, meetings and other unexpected events.
- Cost each activity rather than trying to cost the plan as a whole.
- Communicate any assumptions, exclusions or constraints you have to the users.

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Plans – Prepare the Schedule

- Some of the activities to prepare a schedule include:
  - Defining the activity sequence
  - Assessing resource availability and assigning the resources–human and non-human
  - Agreeing upon control points
  - Defining milestones
  - Calculating total resource requirements and costs
  - Presenting the schedule

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Plans – Prepare the Schedule

A schedule defines when each activity will be carried out in a plan. Some of the activities to prepare a schedule include:

Defining the activity sequence

The amount of time that an activity can be delayed without affecting the completion time of the overall plan is known as the float (sometimes referred to as slack). The critical path through the diagram is the sequence of activities which have zero float. Thus, if any activity on the critical path finishes late, then the whole plan will also finish late.

Assessing resource availability and assigning the resources–human and non-human

The number of people who will be available to do the work should be established. Using the resource availability and the information from the activity sequence allows the Project Manager to assign resources to activities. A useful approach is to first allocate resources to those activities with zero slack (by definition they are on the critical path).

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Plans – Prepare the Schedule

Section 7.3.6 - Plans

The detail surrounding scheduling is the same as for estimating. Additional information is in the student notes however this level of detail is not required at Foundation level. Delegates may still have some questions regarding this topic though.

A schedule defines when each activity will be carried out in a plan.

Agreeing upon control points

Activities relating to the end of a management stage should be added to the activity network and the schedule revised. One common mistake when creating a schedule is not allowing sufficient time for approvals of products or releases.

Defining milestones

A milestone is an event on a schedule which marks the completion of key activities. This could be the completion of a Work Package, technical stage, or a management stage.

Calculating total resource requirements and costs

The resource requirements may be tabulated, and the cost of the resources and other costs calculated to produce the plan's budget. The budget should include:

- Costs of the activities to develop and verify the specialist products and the cost of the project management activities
  - Risk budget
  - Change budget
  - Cost tolerances

The use of risk budgets and change budgets is optional.

Present the schedule

A schedule is best presented in a graphical form. There are a number of ways of presenting a schedule and the choice of format will depend on the scale and complexity of the plan and the needs of the people who will receive it. Most planning tools will offer a choice of formats to view the schedule.

Examples of presentation formats for the schedule

Gantt charts

A Gantt chart is a graphical representation of the duration of tasks against the progression of time.

Critical path diagram

A critical path diagram highlights those tasks which cannot be delayed without causing the plan to be delayed, and those tasks that can be delayed without affecting the end date of the plan. It helps with monitoring and communication.

Spreadsheets

It is possible to create a list of tasks 'down' the spreadsheet and a timeline "across" it, then color in the cells to represent where the tasks will occur in the timeline, and progress to date.

Product checklist

A product checklist is a list of the major products of a plan, plus key dates in their delivery.

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Plans – Analyze the Risks

- Each resource and activity, and all the planning information, should be examined for its potential risk content.
  - All identified risks should be entered into the Risk Register.
- Once the plan has been produced, it should still be considered a draft until the risks inherent in the plan have been identified, assessed and the plan modified, if needed.

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Plans – Analyze the Risks

This planning activity will typically run parallel with the other steps, as risks may be identified at any point in the creation or revision of a plan.

Each resource and activity, and all the planning information, should be examined for its potential risk content. All identified risks should be entered into the Risk Register.

Examples of planning risks

- There is an omission of plans at the appropriate management levels.
- Lots of resources joining the project at the same time can slow progress and cause communication issues.
- The plan contains a high proportion of external dependencies.
- The plan uses untested suppliers or is dependent on new technologies.
- There is a high proportion of activities on the critical path.
- The plan does not allow for sufficient management decision points such as stage boundaries.
- Lots of products are to be completed at the same time.

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Plans – Analyze the Risks

Section 7.3.7 - Plans

This planning activity will typically run parallel with the other steps, as risks may be identified at any point in the creation or revision of a plan.

Each resource and activity, and all the planning information, should be examined for its potential risk content. All identified risks should be entered into the Risk Register.

Risk is covered in more detail at the end of Day 2 within the Risk theme. This can be used as an introduction to Risk for delegates.

Plans – Document the Plan

- A narrative must be added to explain the plan, any constraints on it, external dependencies, assumptions made, any monitoring and control required, the risks identified and their required responses.
- It may be sensible to have one plan format for presentation in submissions seeking approval, and a more detailed format for day-to-day control purposes.
  - Also, consider different levels of presentation of the plan for the different levels of readership.

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Plans – Document the Plan

A narrative must be added to explain the plan, any constraints on it, external dependencies, assumptions made, any monitoring and control required, the risks identified and their required responses.

It may be sensible to have one plan format for presentation in submissions seeking approval, and a more detailed format for day-to-day control purposes. Also consider different levels of presentation of the plan for the different levels of readership.

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Plans – Document the Plan

Section 7.3.8 - Plans

It may be sensible to have one plan format for presentation in submissions seeking approval, and a more detailed format for day-to-day control purposes. Also consider different levels of presentation of the plan for the different levels of readership.

Ask delegates to expalin the different formats of plans that they use within their organizations.

Plans – Responsibilities

- Corporate or program management
- Executive
- Senior User
- Senior Supplier
- Project Manager
- Team Manager
- Project Assurance
- Project Support

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Plans – Responsibilities

Corporate or program management

- Set project tolerances and document them in the project mandate.
- Approve Exception Plans when project-level tolerances are forecast to be exceeded.
- Provide the corporate or program management planning standards.

Executive

- Approve the Project Plan.
- Define tolerances for each stage and approve Stage Plans.
- Approve Exception Plans when stage-level tolerances are forecast to be exceeded.
- Commit business resources to Stage Plans (e.g., finance).

Senior User

- Ensure that Project Plans and Stage Plans remain consistent from the user perspective.
- Commit user resources to Stage Plans.

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Plans – Responsibilities

Section 7.4 - Plans

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Senior Supplier

- Ensure that Project Plans and Stage Plans remain consistent from the supplier perspective.
- Commit supplier resources to Stage Plans.

Project Manager

- Design the plans.
- Create Project Plan and Stage Plans.
- Decide how management and technical stages are to be applied and design Stage Plans.
- Instruct corrective action when Work Package-level tolerances are forecast to be exceeded.
- Prepare an Exception Plan to implement corporate management, program management or the Project Board's decision in response to Exception Reports.

Team Manager

- Create Team Plans.
- Prepare schedules for each Work Package.

Project Assurance

- Monitor changes to the Project Plan to determine whether there is any impact on the needs of the business or the project Business Case.
- Monitor stage and project progress against agreed upon tolerances.

Project Support

- Assist with the compilation of Project Plans, Stage Plans and Team Plans.
- Contribute specialist expertise (for example, planning tools). Baseline, store and distribute Project Plans, Stage Plans and Team Plans.

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Product-based Planning

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Product Based Planning

Timing: This Product Based Planning section should take 60 mins including Case Study exercises.

Product-based Planning – Introduction

- Determine all of the products or deliverables that the project is to create.
  - Then plan the activities required to create them
- The use of the Product-based planning technique is recommended for all levels of plan required in a project.

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Product-based Planning – Introduction

In most projects and Project Management methodologies (PMBOK, for example) the starting point for planning projects is to decide on all the activities required to complete the project.

PRINCE2® suggests a better starting point is to determine all of the products or deliverables that the project is to create. Once this is done it will then be much easier to determine and plan the activities needed to create them.

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Product Based Planning – Introduction

Product-based planning is central to PRINCE2® projects.

In most projects and Project Management methodologies (PMBOK, for example) the starting point to planning projects is to decide on all the activities required to complete the project.

PRINCE2® suggests a better starting point is to determine all of the products or deliverables that the project is to create. Once this is done it will then be much easier to determine and plan the activities needed to create them.

Product-based Planning – Types of Products

- A PRINCE2® project has two types of products:
  - Management Products
  - Specialist Products

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Product-based Planning – Types of Products

PRINCE2® project has two types of products:

- Specialist products whose development is the subject of the plan
- Management products that will be required as part of managing the project, and establishing and maintaining quality (for example, highlight reports, end stage reports, project issues, etc.)

Management products (e.g., highlight reports, end stage reports, project issues) are almost always items of paperwork that are necessary to ensure the project remain in control and is producing things that satisfy the expectations of the customer.

The project exists to produce "specialist products." Management products are by-products of the process of producing the specialist product.

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Product Based Planning – Types of Products

Make sure delegates can differentiate between management and specialist products. Both are essential to a successful project.

Product-based Planning – Management Products – Types

- There are three types of management product: baselines, records and reports.
  - Baseline management products are those that define aspects of the project and, once approved, are subject to change control
  - Records are dynamic management products that maintain information regarding project progress
  - Reports are management products providing a snapshot of the status of certain aspects of the project.

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Product-based Planning – Management Products – Types

There are three types of management product: baselines, records and reports.

Baseline management products are those that define aspects of the project and, once approved, are subject to change control. These are:

- Benefits Review Plan
- Business Case
- Communication Management Strategy
- Configuration Management Strategy
- Plan (covers Project-, Stage- and Team-level Plans)
- Product Description
- Project Brief
- Project Initiation Documentation
- Project Product Description
- Quality Management Strategy
- Risk Management Strategy
- Work Package.

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Records are dynamic management products that maintain information regarding project progress. These are:

- Configuration Item Records
- Daily Log
- Issue Register
- Lessons Log
- Quality Register
- Risk Register.

Reports are management products providing a snapshot of the status of certain aspects of the project. These are:

- Checkpoint Report
- End Project Report
- End Stage Report
- Exception Report
- Highlight Report
- Issue Report
- Lessons Report
- Product Status Account.

Although records and reports are not subject to change control, they are still subject to other aspects of configuration management, such as version control, safe storage, access rights etc.

Most of the baseline products evolve during pre-project and the initiation stage activities. The baseline products are then reviewed and (possibly) updated at the end of each stage.

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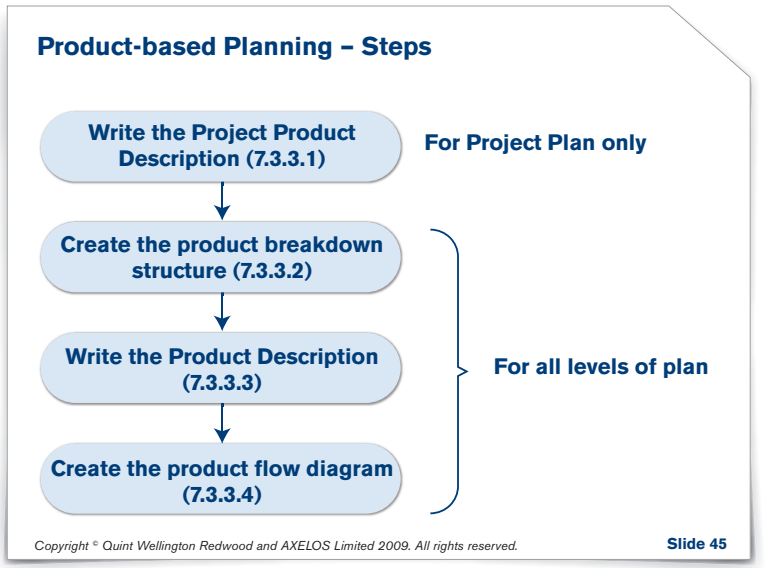

Product-based Planning – Steps

The products-based planning technique is closely allied to the plans component and the planning process. It consists of four main steps:

- Write the project product descriptions.
- Create the product breakdown structure (for management and specialist products).
- Write the product descriptions.
- Create the product flow diagrams.

The order in which these steps are undertaken is very important. However product-based planning is likely to be iterative.

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Product Based Planning – Steps

Section 7.3.3 - Plans pg 64 fully describes the following steps in more detail. Make sure delegates can remember these steps in the correct order. They should also be able to articulate when each step takes place within the project lifecycle.

Product-based Planning – Benefits

- The benefits of product-based planning include:
  - Identifying and documenting the plan's products and the interdependencies between them
  - Removing any ambiguity concerning expectations
  - Involving users in specifying the product requirements, thus increasing buy-in and reducing approval disputes
  - Improving communication
  - Clarifying the scope boundary
  - Identifying products that are external to the plan's scope but are necessary for it to proceed

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Product Based Planning – Benefits

The benefits of product-based planning include:

- The benefits of product-based planning include:
- Clearly and consistently identifying and documenting the plan's products and the interdependencies between them. This reduces the risk of important scope aspects being neglected or overlooked.
- Removing any ambiguity concerning expectations
- Involving users in specifying the product requirements thus increasing buy-in and reducing approval disputes
- Improving communication: the product breakdown structure and product flow diagram provide simple and powerful means of sharing and discussing options for the scope and approach to be adopted for the project
- Clarifying the scope boundary: defining products which are in and out of the scope for the plan and providing a foundation for change control, thus avoiding uncontrolled change or "scope creep"
- Identifying products which are external to the plan's scope but are necessary for it to proceed, and allocating them to other projects or organizations
- Preparing the way for the production of Work Packages for suppliers

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Product Based Planning – Benefits

Section 7.3.3 - Plans

Some of the main benefits to highlight of product-based planning include:

- Clearly and consistently identifying and documenting the plan's products and the interdependencies between them.
- Removing any ambiguity over expectations
- Involving users in specifying the product requirements thus increasing buy-in and reducing approval disputes
- Improving communication
- Clarifying the scope boundary
- Identifying products which are external to the plan's scope
- Preparing the way for the production of Work Packages for suppliers

Product-based Planning – Write the Project Product Descriptions

- The first task of product-based planning is to write the Project Product Description.
- Arguably the single most important outcome of planning
- The Senior User is responsible for specifying the project product.
  - In practice, the Project Product Description is often written by the Project Manager in consultation with the Senior User and Executive.

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Product-based Planning – Write the Project Product Descriptions

The first task of product-based planning is to write the Project Product Description. Although the Senior User is responsible for specifying the project product, in practice the Project Product Description is often written by the Project Manager in consultation with the Senior User and Executive. Every effort should be made to make this Product Description as complete as possible at the outset.

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Product Based Planning – Write the Project Product Descriptions

Section 7.3.3.1 - Plans

This is new to the PRINCE2® 2009 methodology.

Although the Senior User is responsible for specifying the project product, in practice the Project Product Description is often written by the Project Manager in consultation with the Senior User and Executive.

Also point out that every effort should be made to make this Product Description as complete as possible at the outset.

Product-based Planning – Create the Product Breakdown Structure

- The plan is broken down into its major products, which are then further broken down until an appropriate level of detail for the plan is reached.
  - The resultant hierarchy of products is known as a product breakdown structure.
  - As a hierarchical structure, a lower level product may only be a component of one higher level product.

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Product-based Planning – Create the Product Breakdown Structure

The plan is broken down into its major products, which are then further broken down until an appropriate level of detail for the plan is reached. The resultant hierarchy of products is known as a product breakdown structure.

As a hierarchical structure, a lower level product may only be a component of one higher level product. When creating a product breakdown structure, consider the following:

- It is usual to involve a team of people in the creation of a product breakdown structure.
- It is common to identify products by running a structured brainstorming session (for example, using sticky notes or a whiteboard) to capture each product as it is identified.
- It is useful to identify any external products required by the plan. External products already exist or are being created or updated outside of the scope of the plan and are required in order to create one or more of the plan's products. The Project Manager is not accountable for the creation of external products as they will be supplied by parties external to the project organization. For each external product there should be a corresponding entry on the Risk Register detailing the threat to the plan if they are late or not to the required specification. Consider whether external products require Product Descriptions to reduce the likelihood of them not providing what's expected.
- When using product-based planning, it is important to consider whether to include different states of a particular product. An example of product states is "dismantled machinery, moved

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Product Based Planning – Create the Product Breakdown Structure

Section 7.3.3.2 - Plans

Delegates at the Foundation level do not need to create a product breakdown structure. However it is important to be able to understand one.

A number of different ways to do product breakdown structures is seen in Appendix D (pg 279) of the manual. These examples have changed from the PRINCE2® 2005 version.

The plan is broken down into its major products, which are then further broken down until an appropriate level of detail for the plan is reached. The resultant hierarchy of products is known as a product breakdown structure.

As a hierarchical structure, a lower level product can be a component of only one higher level product.

machinery and re-assembled machinery." It could be appropriate to identify the different states as separate products, where each state would require its own Product Description with different quality criteria and quality controls. This may be particularly useful when the responsibility for creating each state will pass from one team to another. Alternatively, a single Product Description could be used with a set of quality criteria that the product must meet in order to gain approval for each state.

- If the project is broken down into several stages, the products for each stage are extracted from the project product breakdown structure to form the stage product breakdown structures. These may be expanded to more levels of detail and thus "extra products" may be added to give the detail required of the Stage Plan.

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Product-based Planning – Write the Product Descriptions

- A Product Description is required for all the identified products. When creating a Product Description, consider the following:
  - Product Descriptions should be written as soon as possible after the need for the product has been identified.
  - A Product Description should be baselined when the plan containing the creation of that product is baselined.

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Product-based Planning – Write the Product Descriptions

A Product Description is required for all the identified products. When creating a Product Description, consider the following:

- Product Descriptions should be written as soon as possible after the need for the product has been identified. Initially, these may only be "skeletons" with little more than the title and identifier as information. They will be refined and amended as the product becomes better understood and the later planning steps are complete.
- A Product Description should be baselined when the plan containing the creation of that product is baselined. If the product is later changed, the Product Description must also pass through change control.
- Although the responsibility for writing Product Descriptions officially rests with the Project or Team Manager, it is wise to involve representatives from the area with expertise in the product and those who will use the product in question.
- If a detailed requirements specification for a product is already available, this may be used as a substitute for the Product Description as long as the requirements specification covers the components and meets the quality criteria expected of a Product Description.
- For a small project, it may only be necessary to write the Project Product Description.
- Quality criteria, aimed at separating an acceptable product from an unacceptable one, require careful thought.

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Product Based Planning – Write the Product Descriptions

Section 7.3.3.3 - Plans

Product descriptions are vital to the success of any PRINCE2® project. Make sure to emphasize to delegates the importance of product descriptions.

Information from this slide can help answer question 10 in the Case Study.

Product-based Planning – Create the Product Flow Diagram

- A product flow diagram must be created to identify and define the sequence in which the products of the plan will be developed and any dependencies between them.
- The product flow diagram also identifies dependencies on any products outside the scope of the plan.
  - It naturally leads into consideration of the activities required, and provides the information for other planning techniques, such as estimating and scheduling.

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Product-based Planning – Create the Product Flow Diagram

A product flow diagram must be created to identify and define the sequence in which the products of the plan will be developed and any dependencies between them.

The product flow diagram also identifies dependencies on any products outside the scope of the plan. It leads naturally into consideration of the activities required, and provides the information for other planning techniques, such as estimating and scheduling.

When creating a product flow diagram, consider the following:

- Some planners prefer to create the product flow diagram in parallel with the product breakdown structure.
- A product flow diagram needs very few symbols. Each product to be developed within the plan in question is identified (for example, it may be enclosed in a rectangle), and the sequence in which they are to be created is shown (the rectangles may be connected by arrows, for example). Any products that already exist or that come from work outside the scope of the plan should be clearly identified as external products (for example, it may be enclosed in a different shape, such as an ellipse).

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Product Based Planning – Create the Product Flow Diagram

Section 7.3.3.4 - Plans

A product flow diagram needs to be created to identify and define the sequence in which the products of the plan will be developed and any dependencies between them.

The product flow diagram also identifies dependencies on any products outside the scope of the plan. It leads naturally into consideration of the activities required, and provides the information for other planning techniques, such as estimating and scheduling.

Case Study Activity

- Product-based planning
  - Individually, or in groups, complete the product-based planning activity from the case study.

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Risk (Theme)

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Risk (Theme)

Timing: This Risk section should take 60 mins including Case Study exercises.

The treatment of Risk in the PRINCE2® 2009 version has changed quite significantly. It is now aligned closely with the M_o_R (Management of Risk) methodology from Axelos.

Risk – Purpose

- Purpose
  - To identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed.
- Risk-taking in projects is inevitable since projects are enablers of change.
- Management of risk is performed throughout the life of the project.

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Risk – Purpose

The purpose of the Risk theme is to identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed. Risk-taking in projects is inevitable since projects are enablers of change and change introduces uncertainty, hence risk.

Management of risk is about the proactive identification, assessment and control of risks, that may affect the delivery of the project's objectives.

Management of risk is a continual activity, performed throughout the life of the project. Without an ongoing and effective risk management procedure it is not possible to give confidence that the project is able to meet its objectives and therefore whether it is worthwhile for it to continue. Hence effective risk management is a prerequisite of the continued business justification principle.

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Risk – Purpose

Section 8.1 - Risk

The purpose of the Risk theme is to identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed.

Risk-taking in projects is inevitable since projects are enablers of change and change introduces uncertainty, hence risk.

Management of risk is about the proactive identification, assessment and control of risks, which may affect the delivery of the project's objectives.

Risk is about uncertainty. If a risk becomes certain it is no longer a risk!! make sure delegates fully understand this concept.

Risk – What is a Risk?

- A risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.
  - Risk is about uncertainty. If a risk becomes certain it is no longer a risk!
- Risk consists of a combination of the probability of a perceived threat or opportunity occurring
  - **Threat** is used to describe an uncertain event that could have a negative impact on objectives.
  - **Opportunity** is used to describe an uncertain event that could have a favorable impact on objectives.

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Risk – What is a Risk?

A risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives.Risk is about uncertainty. If a risk becomes certain it is no longer a risk! Risk consists of a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives:

- **Threat** is used to describe an uncertain event that could have a negative impact on objectives.
- **Opportunity** is used to describe an uncertain event that could have a favorable impact on objectives.

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Risk – What is a Risk?

Section 8.2.1 - Risk

A risk is an uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. Risk is sometimes seen as a negative, though it does not always have to be this way.

It consists of a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives:

- Threat is used to describe an uncertain event that could have a negative impact on objectives.
- Opportunity is used to describe an uncertain event that could have a favourable impact on objectives.

Risk – What is Risk Management?

- The term risk management refers to the systematic application of procedures to the tasks of identifying and assessing risks, and then planning and implementing risk responses
- For risk management to be effective, risks must be:
  - Identified
  - Assessed
  - Controlled

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Risk – What is Risk Management?

The term risk management refers to the systematic application of procedures to the tasks of identifying and assessing risks, and then planning and implementing risk responses.

For risk management to be effective, risks must be:

- **Identified** – This includes risks being considered that could affect the achievement of the project's objectives, and then described to ensure that there is a common understanding of these risks.
- **Assessed** – This includes ensuring that each risk can be ranked in terms of estimated likelihood, impact and immediacy, and understanding the overall level of risk associated with the project.
- **Controlled** – This includes identifying appropriate responses to risks, assigning risk owners, and then executing, monitoring and controlling these responses.

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Risk – What is Risk Management?

Section 8.2.3 - Risk

The term risk management refers to the systematic application of procedures to the tasks of identifying and assessing risks, and then planning and implementing risk responses.

For risk management to be effective, risks need to be:

- Identified
- Assessed
- Controlled

Risk – Management of Risk Principles

- PRINCE2®'s approach to the management of risk is based on Axelos's publication, Management of Risk: Guidance for Practitioners (2007):
  - Understand the project's context and objectives.
  - Involve stakeholders.
  - Develop the project risk management approach.
  - Regularly report on risks.
  - Monitor for early warning indicators.
  - Establish a review cycle and look for continual improvement.

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Risk – Management of Risk Principles

PRINCE2®'s approach to the management of risk is based on the Axelos publication, Management of Risk: Guidance for Practitioners (2007). Management of Risk (M_o_R) is based on a number of risk management principles, of which the following are appropriate within a project context:

- Understand the project's context.
- Involve stakeholders.
- Establish clear project objectives.
- Develop the project risk management approach.
- Regularly report on risks.
- Define clear roles and responsibilities.
- Establish a support structure and a supportive culture for risk management.
- Monitor for early warning indicators.
- Establish a review cycle and look for continual improvement.

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Risk – Management of Risk Principles

Section 8.3.1 - Risk

PRINCE2®'s approach to the management of risk is based on Axelos' publication Management of Risk: Guidance for Practitioners (2007).

Risk – Risk Management Strategy

- Risk Management Strategy defines the project procedures for risk management from identification to implementation.
  - This is known as the Risk Register.
- A key decision is the Project Board's attitude towards risk-taking which, in turn, dictates the amount of risk that it considers acceptable.
  - This information is captured in the form of risk tolerances.

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Risk – Risk Management Strategy

PRINCE2® recommends that every project should have its own Risk Management Strategy (defining the project procedures for risk management from identification through to implementation) and a means of control (i.e., the Risk Register). The purpose of this strategy is to describe how risk management will be embedded in the project management activities.

A key decision that must be recorded within the Risk Management Strategy is the Project Board's attitude towards risk-taking which, in turn, dictates the amount of risk that it considers acceptable. This information is captured in the form of risk tolerances which represent the levels of exposure that, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board.

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Risk – Risk Management Strategy

Section 8.3.3 - Risk

PRINCE2® recommends that every project should have its own Risk Management Strategy (defining the project procedures for risk management from identification through to implementation) and a means of control, i.e. the Risk Register.

The purpose of this strategy is to describe how risk management will be embedded in the project management activities.

A key decision that needs to be recorded within the Risk Management Strategy is the Project Board's attitude towards risk-taking, which in turn dictates the amount of risk that it considers acceptable. This information is captured in the form of risk tolerances which represent the levels of exposure which, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board.

Risk Tolerance and Risk Appetite

- Risk tolerance
  - The threshold levels of risk exposure which, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board
  - Documented in the Risk Management Strategy
- Risk appetite
  - An organization's unique attitude towards risk-taking that in turn dictates the amount of risk that it considers is acceptable

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Risk Tolerance and Risk Appetite

Risk tolerance

The threshold levels of risk exposure which, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board. Risk tolerances could include limits on the plan's aggregated threats (e.g. aggregated risk costs to remain less than 10% of the plan's budget), or limits on any individual threat (e.g. any threat to operational service). Risk tolerance is documented in the Risk Management Strategy.

Risk tolerance can be related to other tolerance parameters; risk to completion within time scale and/or cost and to achieving product quality and project scope within the boundaries of the Business Case.

Perceptions of risk tolerance have to be considered in detail to establish the optimum balance of a risk occurring against the costs and value for money of limiting that risk. The organization's overall tolerance of exposure to risk must also be considered as well as a view of individual risks.

Risk Appetite

Before determining what to do about risks, the Project Board and Project Manager must consider the amount of risk they are prepared to tolerate. Different parts of a project or different stakeholders may have different risk appetites. Each organization has an unique attitude towards risk-taking that in turn dictates the amount of risk that it considers is acceptable.

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Risk – Risk Register

- The purpose of the Risk Register is to capture and maintain information on all of the identified threats and opportunities relating to the project.
- Each risk on the Risk Register is allocated a unique identifier as well as details such as:
  - Who raised the risk and when it was raised
  - The category of risk
  - Probability, impact and expected value and proximity
  - Risk response category and actions
  - Risk owner and actionee

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Risk – Risk Register

The purpose of the Risk Register is to capture and maintain information on all of the identified threats and opportunities relating to the project.

Each risk on the Risk Register is allocated a unique identifier as well as details such as:

- Who raised the risk
- When it was raised
- The category of risk
- The description of the risk (cause, risk event, effect)
- Probability, impact and expected value
- Proximity
- Risk response category
- Risk response actions
- Risk status
- Risk owner
- Risk actionee

Project Support will maintain the Risk Register on behalf of the Project Manager. The Risk Management Strategy will describe the procedure for registering risks.

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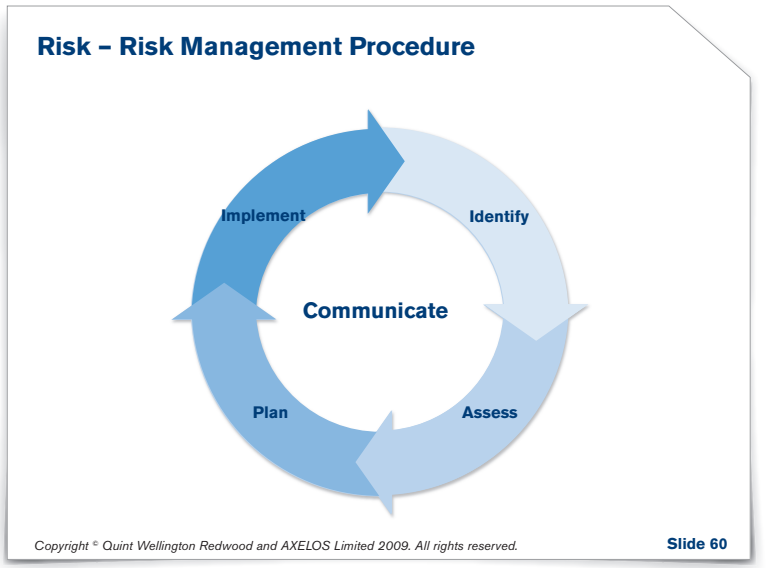
Risk – Risk Register

Section 8.3.4 - Risk

The purpose of the Risk Register is to capture and maintain information on all of the identified threats and opportunities relating to the project.

Project Support will maintain the Risk Register on behalf of the Project Manager.



Risk – Risk Management Procedure

PRINCE2® recommends a risk management procedure comprising the following five steps:

- Identify (context and risks)
- Assess (estimate and evaluate)
- Plan
- Implement
- Communicate

The first four steps are sequential with the "Communicate" step running in parallel, as the findings of any of the other steps may be communicated prior to the completion of the overall process. All of the steps are iterative in nature in that when additional information becomes available, it is often necessary to revisit earlier steps and carry them out again to achieve the most effective result.

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Risk – Risk Management Procedure

Figure 8.2 pg 80

PRINCE2® recommends a risk management procedure comprising the following five steps:

- Identify (context and risks)
- Assess (estimate and evaluate)
- Plan
- Implement
- Communicate.

The first four steps are sequential with the 'Communicate' step running in parallel. All of the steps are iterative in nature.

Risk – Identify (1/2)

- Identify context
  - The primary goal is to obtain information about the project in order to understand the specific objectives that are at risk and to formulate the Risk Management Strategy for the project.
- Identify risks
  - The primary goal is to recognize the threats and opportunities that may affect the project's objectives.

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Risk – Identify (1/2)

Identify context

The primary goal of the "identify context" step is to obtain information about the project in order to understand the specific objectives that are at risk and to formulate the Risk Management Strategy for the project.

The following will have an influence on the project's Risk Management Strategy:

- Customer's quality expectations
- Number of organizations involved and the relationship between them
- The importance, complexity and scale of the project
- What assumptions have been made
- The organization's own environment (e.g., legislative or governance requirements)
- The organization's approach to risk management as described by its risk management policy
- This information will be derived from the project mandate, the Project Brief and the Project Product Description.
- The Risk Management Strategy will include decisions on the:
- Risk management procedure
- Roles and responsibilities for the risk management procedure

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Instructor Notes

Risk – Identify (1/2)

Section 8.3.5.1 - Risk

Identify context

The primary goal of the 'identify context' step is to obtain information about the project in order to understand the specific objectives that are at risk and to formulate the Risk Management Strategy for the project.

Identify risks

The primary goal of the 'identify risks' step is to recognize the threats and opportunities that may affect the project's objectives.

- Risk scales to be used (for likelihood, impact, proximity)
- Any categorization of risks (and possibly the risk breakdown structure to use)
- Risk response categories to be used
- Any risk tolerances
- Whether a risk budget will be established and if so, how controlled

Identify risks

The primary goal of the "identify risks" step is to recognize the threats and opportunities that may affect the project's objectives. PRINCE2® recommends the following actions:

- Capture identified threats and opportunities in the Risk Register.
- Prepare early warning indicators to monitor critical aspects of the project and provide information on the potential sources of risk.
- Understand the stakeholders' view of the specific risks captured.

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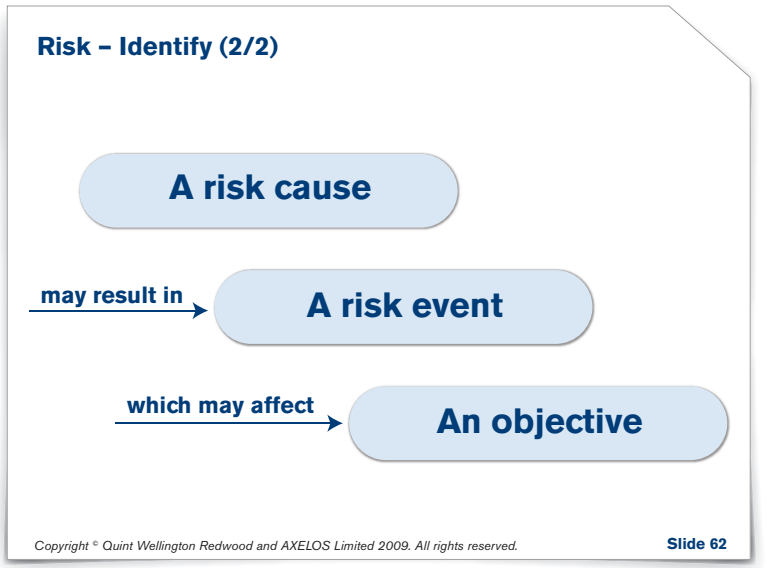

Risk - Identify (2/2)

An important aspect of identifying risks is being able to provide a clear and unambiguous expression of each one. A useful way of expressing risk is to consider the following aspects of each risk:

- **Risk cause** – This should describe the source of the risk (i.e., the event or situation that gives rise to the risk). These are often referred to as risk drivers. They are not risks in themselves, but the potential trigger points for risk. These may be either internal or external to the project.
- **Risk event** – This should describe the area of uncertainty in terms of the threat or the opportunity.
- **Risk effect** – This should describe the impact that the risk would have on the project objectives should the risk materialize.

The cause, event and effect relationship could also be expressed in a sentence, for example:

- **Threat** – Because it has been raining heavily (risk cause), there is a threat that the river flowing through the farmer's field might overflow (risk event), which would severely damage the farmer's crop (risk effect)
- **Opportunity** – Because the weather has been particularly mild this winter (risk cause), there is an opportunity that fewer people will be hospitalized with influenza (risk event), which will mean that there will be less disruption to planned routine operations (risk effect).

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Instructor Notes

Risk – Identify (2/2)

An important aspect of identifying risks is being able to provide a clear and unambiguous expression of each one.

A useful way of expressing risk is to consider the following aspects of each risk:

- Risk cause
- Risk event
- Risk effect

Use this example with delegates to make the point clear. The cause, event and effect relationship could also be expressed in a sentence, for example:

- Threat Because it has been raining heavily (risk cause), there is a threat that the river flowing through the farmer's field might overflow (risk event), which would severely damage the farmer's crop (risk effect)
- Opportunity Because the weather has been particularly mild this winter (risk cause), there is an opportunity that fewer people will be hospitalized with influenza (risk event), which will mean that there will be less disruption to planned routine operations (risk effect).

Risk – Assess (Estimate)

- Estimate
  - The primary goal of the "estimate" step is to assess the threats and the opportunities related to the project in terms of their probability and impact.
- PRINCE2® recommends that the following is understood about threats and opportunity:
  - The probability
  - The impact
  - The proximity
  - How the impact may change over time

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Risk – Assess (Estimate)

The primary goal of the "estimate" step is to assess the threats and the opportunities related to the project in terms of their probability and impact. The risk proximity will also be of interest to gauge how quickly the risk is likely to materialize if no action were taken.

PRINCE2® recommends that the following is understood:

- The probability of the threats and opportunities in terms of how likely they are to occur
- The impact of each threat and opportunity in terms of the project objectives. For example, if the objectives are measured in time and cost, the impact should also be measured in units of time and cost.
- The proximity of these threats and opportunities with regard to when they might materialize
- How the impact of the threats and opportunities may change over the life of the project

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Risk – Assess (Estimate)

Section 8.3.5.2 - Risk

The primary goal of the 'estimate' step is to assess the threats and the opportunities to the project in terms of their probability and impact. The risk proximity will also be of interest to gauge how quickly the risk is likely to materialize if no action were taken.

Risk – Summary Risk Profile

Prob. / Impact	Very low	Low	Medium	High	Very high
Very high				1, 3	
High	2				4
Medium		8		6	
Low		10		7	
Very low	9		2		5

Risk tolerance line

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Risk – Summary Risk Profile

A useful way of summarizing the set of risks and their estimations is to plot them onto a summary risk profile. The numbered markers in the matrix represent unique risk identifiers used in the Risk Register on which this is based. The risks above and to the right of the dotted risk tolerance line represent those that the organization will not tolerate except under special circumstances. In the depicted case, the Project Manager would refer risks 1, 3 and 4 to the Project Board.

The summary risk profile can also be used to show trends. For example, risk 6 may have previously been recorded as "low probability, high impact," indicating that its likelihood of occurring is increasing.

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Risk – Summary Risk Profile

Figure 8.6 pg 84

A useful way of summarizing the set of risks and their estimations is to plot them onto a summary risk profile. The numbered markers in the matrix represent unique risk identifiers used in the Risk Register on which this is based. The risks above and to the right of the dotted risk tolerance line represent those that the organization will not tolerate except under special circumstances. In the depicted case, the Project Manager would refer risks 1, 3 and 4 to the Project Board.

The summary risk profile can also be used to show trends. For example, risk 6 may have previously been recorded as 'low probability, high impact', indicating that its likelihood of occurring is increasing.

Risk – Assess (Evaluate)

- Evaluate
  - The primary goal of the "evaluate" step is to assess the net aggregate effect of all the identified threats and opportunities on a project.
- An assessment is made:
  - Of the overall severity of the risks facing the project
  - To determine whether this level of risk is within the risk tolerance set by the Project Board
  - Whether the project has continued business justification

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Risk – Assess (Evaluate)

The primary goal of the "evaluate" step is to assess the net aggregate effect of all the identified threats and opportunities on a project. This will enable an assessment to be made of the overall severity of the risks facing the project, to determine whether this level of risk is within the risk tolerance set by the Project Board and whether the project has continued business justification.

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Risk – Assess (Evaluate)

Section 8.3.5.2 - Risk

The primary goal of the 'evaluate' step is to assess the net effect of all the identified threats and opportunities on a project when aggregated together. This will enable an assessment to be made of the overall severity of the risks facing the project, to determine whether this level of risk is within the risk tolerance set by the Project Board and whether the project has continued business justification.

Risk – Plan

- Plan
  - The primary goal is to prepare specific management responses to the threats and opportunities identified, ideally to remove or reduce the threats and to maximize the opportunities.
- The "plan" step involves identifying and evaluating a range of options for responding to threats and opportunities.

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Risk – Plan

The primary goal of the "plan" step is to prepare specific management responses to the threats and opportunities identified, ideally to remove or reduce the threats and to maximize the opportunities.

The "plan" step involves identifying and evaluating a range of options for responding to threats and opportunities. It is important that the risk response is proportional to the risk and that it offers value for money. A key factor in the selection of responses will be balancing the cost of implementing the responses against the probability and impact of allowing the risk to occur.

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Instructor Notes

Risk – Plan

Section 8.3.5.3 - Risk

The primary goal of the 'plan' step is to prepare specific management responses to the threats and opportunities identified, ideally to remove or reduce the threats and to maximize the opportunities.

It is important that the risk response is proportional to the risk and that it offers value for money. A key factor in the selection of responses will be balancing the cost of implementing the responses against the probability and impact of allowing the risk to occur.

Risk – Plan (Risk Responses 1/2)

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

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Risk – Plan (Risk Responses 1/2)

Avoid (threat)

Typically involves changing some aspect of the project (i.e., the scope, procurement route, supplier or sequence of activities, so that the threat either can no longer have an impact or can no longer happen)

Example: A critical meeting could be threatened by air travel disruption so the project chooses to hold the meeting by conference call instead.

Reduce (threat)

Proactive actions taken to:

- Reduce the probability of the event occurring, by performing some form of control
- Reduce the impact of the event should it occur

Examples: To reduce the likelihood of users not using a product, the number of training events is increased. To reduce the timescale impact should a prototype be damaged in transit, two prototypes are built.

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Instructor Notes

Risk – Plan (Risk Responses 1/2)

Section 8.3.5.3 - Risk

Go over this slide in detail. Examples of each are provided within the student notes. Use these examples as well as your own. Also have delegates provide their own examples from projects they have worked on.

Information from this slide can help answer question 12 in the Case Study.

Fallback (threat)

Putting in place a fallback plan for the actions that will be taken to reduce the impact of the threat should the risk occur. This is a reactive form of the "reduce" response which has no impact on likelihood.

Example: The company's test facility is only available for two weeks in August. To reduce the impact should the product not be available in time, there is a fallback plan to hire an alternate test facility (at a greater expense).

Transfer (threat)

A third party takes on responsibility for some of the financial impact of the threat. (For example, through insurance or by means of appropriate clauses in a contract.) This is a form of the "reduce" response which only reduces the financial impact of the threat.

Examples: To reduce the financial impact should a prototype be damaged in transit, it is insured. To reduce the financial impact if a product is not available to launch in time for a trade show, the contract with the supplier includes liquidated damage clauses for any delays.

Accept (threat)

A conscious and deliberate decision is taken to retain the threat, having discerned that it is more economical to do so than to attempt a threat response action. The threat should continue to be monitored to ensure that it remains tolerable.

Example: There is a threat that a competitor may launch a rival product first thus affecting the expected market share for the product. The choice is to accelerate the project by increasing the resources, reduce the product's scope so that it can be finished earlier, or do nothing. Accelerating the project may lead to product quality issues; reducing the scope may make the product less appealing; so the risk is accepted and the "do nothing" option is chosen.

Share (threat or opportunity)

Modern procurement methods commonly entail a form of risk sharing through the application of a pain/gain formula: both parties share the gain (within pre-agreed upon limits) if the cost is less than the cost plan; and share the pain (again within pre-agreed upon limits) if the cost plan is exceeded. Several industries include risk-sharing principles within their contracts with third parties.

Example: The cost of the project could be adversely affected due to fluctuations in the cost of oil. The customer and supplier agree to share the cost of price increases or the savings from price reductions equally from a midpoint fixed at the time of agreeing the contract.

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Exploit (opportunity)

Seizing an opportunity to ensure that the opportunity will happen and that the impact will be realized.

Example: There is a risk that the project will be delayed. If it is delayed, a later version of software could be implemented instead which would reduce ongoing maintenance. The Project Board agree to change the project timescale and scope enabling the later version of the software to be bought and implemented.

Enhance (opportunity)

Proactive actions taken to:

- Enhance the probability of the event occurring
- Enhance the impact of the event should it occur

Example: It is possible that the product completes user acceptance testing in a single test cycle, rather than the scheduled two, enabling it to be delivered early and prior to a competitor's rival product. The Project Board decide to hold a test rehearsal to increase the likelihood that the product will pass its first user acceptance tests, and prepare for the option of an earlier launch date.

Reject (opportunity)

A conscious and deliberate decision is taken not to exploit or enhance the opportunity, having discerned that it is more economical not to attempt an opportunity response action. The opportunity should continue to be monitored.

Example: It is possible that the product completes user acceptance testing in a single test cycle, rather than the scheduled two, enabling it to be delivered early and prior to a competitor's rival product. The Project Board decide not to take advantage of an early release and to stick with the planned launch date.

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Risk – Plan (Risk Responses 2/2)

- It is possible that the responses to risks, once implemented, will change some aspect of the project.
- This, in turn, may lead to secondary risks (i.e., risks that may occur as a result of invoking a risk response).
- Consideration should also be given to the effect the possible responses could have on:
  - The Project Plan, Stage Plan and Work Packages
  - The Business Case
  - The corporate and/or program management

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Risk – Plan (Risk Responses 2/2)

In some cases, implementing a risk response will reduce or remove other related risks. It is also possible that the responses to risks, once implemented, will change some aspect of the project. This in turn may lead to secondary risks (i.e., risks that may occur as a result of invoking a risk response). It is essential that these are identified, assessed and controlled in the same way as the primary risk.

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Risk – Plan (Risk Responses 2/2)

In some cases, implementing a risk response will reduce or remove other related risks. It is also possible that the responses to risks, once implemented, will change some aspect of the project. This in turn may lead to secondary risks, i.e. risks that may occur as a result of invoking a risk response. It is essential that these are identified, assessed and controlled in the same way as the primary risk.

Risk – Implement

- The primary goal is to ensure that the planned risk responses are:
  - Actioned,
  - Their effectiveness monitored and,
  - Corrective action taken where responses do not match expectations.
- The Project Manager should have support in the management of project risks. The main roles in this respect are:
  - Risk owner
  - Risk actionee

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Risk – Implement

The primary goal of the "implement" step is to ensure that the planned risk responses are actioned, their effectiveness monitored, and corrective action taken where responses do not match expectations.

An important part of the "implement" step is to ensure that there are clear roles and responsibilities allocated to support the Project Manager in the management of project risks. The main roles in this respect are:

- **Risk owner** – A named individual who is responsible for the management, monitoring and control of all aspects of a particular risk assigned to them, including the implementation of the selected responses to address the threats or to maximize the opportunities
- **Risk actionee** – An individual assigned to carry out a risk response action or actions to respond to a particular risk or set of risks. They support and take direction from the risk owner.

Example of a risk owner and risk actionee

There is a risk that a key supplier may go bankrupt. The commercial director has been appointed as the risk owner. A number of risk responses have been identified and selected. One of the risk responses (fallback) is to identify possible alternate suppliers who have the capacity to undertake the affected Work Packages at short notice, and to obtain some quotes from them. The Procurement Manager is the risk actionee for this particular risk response.

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Instructor Notes

Risk – Implement

Section 8.3.5.4 - Risk

The primary goal of the 'implement' step is to ensure that the planned risk responses are actioned, their effectiveness monitored, and corrective action taken where responses do not match expectations.

An important part of the 'implement' step is to ensure that there are clear roles and responsibilities allocated in the management of project risks. The main roles in this respect are:

- Risk owner
- Risk actionee

An example of a risk owner and risk actionee is provided in the student notes.

Risk – Communicate

- Communication is a step that is carried out continually.
- Risks are communicated as part of the following management products:
  - Checkpoint Reports
  - Highlight Reports
  - End Stage Reports
  - End Project Reports
  - Lessons Reports

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Risk – Communicate

Communication is a step that is carried out continually. The "communicate" step should ensure that information related to the threats and opportunities faced by the project is communicated both within the project and externally to stakeholders.

Risks are communicated as part of the following management products:

- Checkpoint Reports
- Highlight Reports
- End Stage Reports
- End Project Reports
- Lessons Reports

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Risk – Communicate

Section 8.3.5.5 - Risk

Communication is a step that is carried out continually. The 'communicate' step should ensure that information related to the threats and opportunities faced by the project is communicated both within the project and externally to stakeholders.

Risk – Risk Budget

- A risk budget is a sum of money included within the project budget and set aside to fund specific management responses to the project's threats and opportunities.
- It is always prudent to set the risk budget to cover the known risks (as identified) and to make a provision for unknown risks (yet to be identified).

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Risk – Risk Budget

A risk budget, if used, is a sum of money included within the project budget and set aside to fund specific management responses to the project's threats and opportunities.

In order to arrive at a risk budget for the project, a financial approach to risk management is needed. Each risk must be fully analyzed for the impact costs, response costs and likelihood.

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Risk – Risk Budget

Section 8.3.6 - Risk

A risk budget, if used, is a sum of money included within the project budget and set aside to fund specific management responses to the project's threats and opportunities.

In order to arrive at a risk budget for the project, a financial approach to risk management is needed.

Risk – Responsibilities

- Corporate or program management
- Executive
- Senior User
- Senior Supplier
- Project Manager
- Team Manager
- Project Assurance
- Project Support

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Risk – Responsibilities

Corporate or program management

- Provide the corporate risk management policy and risk management process guide (or similar documents).

Executive

- Be accountable for all aspects of risk management and, in particular, ensure a project Risk Management Strategy exists.
- Ensure that risks associated with the Business Case are identified, assessed and controlled.
- Escalate risks to corporate or program management as necessary.

Senior User

- Ensure that risks to the users are identified, assessed and controlled (such as the impact on benefits, operational use and maintenance).

Senior Supplier

Ensure that risks relating to the supplier aspects are identified, assessed and controlled (such as the creation of the project's products).

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Risk – Responsibilities

Table 8.3 pg 88

Project Manager

- Create the Risk Management Strategy.
- Create and maintain the Risk Register.
- Ensure that project risks are being identified, assessed and controlled throughout the project lifecycle.

Team Manager

- Participate in the identification, assessment and control of risks.

Project Assurance

- Review risk management practices to ensure that they are performed in line with the project's Risk Management Strategy.

Project Support

- Assist the Project Manager to maintain the project's Risk Register.

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Case Study Activity

- Management of Risk
  - Individually, or in groups, complete the management of risk activity from the case study.

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Progress (Theme)

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Progress (Theme)

Timing: This Progress section should take 45 mins including Case Study exercises.

Progress – Purpose

- Purpose
  - To establish mechanisms to monitor and compare actual achievements against those planned in order to provide a forecast for the project objectives, including its continued viability
- Progress is the measure of the achievement of the objectives of a plan.
- Control of progress is about decision-making and is central to project management, ensuring that the project remains viable against its approved Business Case.

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Progress – Purpose

- The purpose of the Progress theme is to establish mechanisms to monitor and compare actual achievements against those planned in order to provide a forecast for the project objectives, including its continued viability.
- The Progress theme provides the mechanisms to monitor progress against allowable tolerances, and the controls to escalate to the next level should any forecast suggest that one or more tolerances will be exceeded.
- Control of progress is about decision-making and is central to project management, ensuring that the project remains viable against its approved Business Case.

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Progress – Purpose

Section 10.1 - Progress

The purpose of the Progress theme is to establish mechanisms to monitor and compare actual achievements against those planned in order to provide a forecast for the project objectives, including its continued viability.

Control of progress is all about decision-making and is central to project management, ensuring that the project remains viable against its approved Business Case.

Progress – Progress Controls

- Progress controls ensure that for each level of the project management team the next level of management can:
  - Monitor progress.
  - Compare level of achievement with plan.
  - Review plans and options against future situations.
  - Detect problems and identify risks.
  - Initiate corrective action.
  - Authorize further work.

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Progress – Progress Controls

Progress controls ensure that for each level of the project management team the next level of management can:

- Monitor progress.
- Compare level of achievement with plan.
- Review plans and options against future situations.
- Detect problems and identify risks.
- Initiate corrective action.
- Authorize further work.

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Progress – Progress Controls

Section 10.2.2 - Progress

Progress controls ensure that for each level of the project management team the next level of management can undertake certain activities.

Progress – Exceptions and Tolerances

The six tolerance areas by level

Tolerance areas	Project level tolerances	Stage level tolerances	Work Package level tolerances	Product level tolerances
Time +/- amounts of time on target completion dates	Project Plan	Stage Plan	Work Package	NA
Cost +/- amounts of planned budget	Project Plan	Stage Plan	Work Package	NA
Scope Permitted variation of the scope of a project solution, e.g., MoSCoW prioritization of requirements (Must have, Should have, Could have, Won't have for now).	Project Plan (Note 1)	Stage Plan (Note 1)	Work Package (Note 1)	NA
Risk Limit on the aggregated value of threats (e.g., expected monetary value to remain less than 10% of the plan's budget); and Limit on any Individual threat (e.g., any threat to operational service)	Risk Management Strategy	Stage Plan (Note 2)	Work Package (Note 2)	NA
Quality Defining quality targets In terms of ranges, e.g., a product that weighs 300g +/- 10g	Project Product Description	NA (Note 3)	NA (Note 3)	Product Description
Benefits Defining target benefits in terms of ranges, e.g., to achieve minimum cost savings of 5% per branch, with an average of 7% across all branches	Business Case	NA		NA
Note 1 - the scope of a plan is defined by the set of products to be delivered. Scope tolerance (if used) should be in the form of a note on or reference to the product breakdown structure for the plan. Scope tolerance at the stage or Work Package level is of particular use if applying a time-bound iterative development method such as Agile.				
Note 2 - more specific stage level risk tolerances may be set by the Project Board when authorizing a stage or by the Project Manager when commissioning Work Packages, especially from external suppliers.				
Note 3 - quality tolerances are not summarily defined at the stage or Work Package level but are defined per Product Description within the scope of the plan.				

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Progress – Exceptions and Tolerances

An exception is a situation where it can be forecast that there will be a deviation beyond the agreed upon tolerance levels. Tolerances are the permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management. There may also be tolerance levels for quality, scope, benefit and risk.

If tolerances are not implemented, there is no clear measure of discretion if there is a deviation from the plan.

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Progress – Exceptions and Tolerances

Section 10.2.3 - Progress

An exception is a situation where it can be forecast that there will be a deviation beyond the agreed tolerance levels. The key point here for delegates is the term 'forecast'.

Tolerances are the permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management. There may also be tolerance levels for quality, scope, benefit and risk.

Ask delegates what would happen if no tolerances are implemented?

(If tolerances are not implemented, there is no clear measure of discretion if things do not go to plan)

Progress – Approach to Progress

- Progress control involves measuring the actual progress against the performance targets of:
  - Time,
  - Cost,
  - Quality,
  - Scope,
  - Benefits and risk.
- PRINCE2® provides progress control through:
  - Delegating authority
  - Dividing the project into management stages
  - Time-driven and event-driven progress-reporting and reviews
  - Raising exceptions

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Progress – Approach to Progress

Progress control involves measuring the actual progress against the performance targets of time, cost, quality, scope, benefits and risk, and then using this information to make decisions and to take actions as required.

PRINCE2® provides progress control through:

- Delegating authority from one level of management to the level below it
- Dividing the project into management stages and authorizing the project one stage at a time
- Time-driven and event-driven progress-reporting and reviews
- Raising exceptions

The project's controls should be documented in the Project Initiation Documentation.

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Progress – Approach to Progress

Section 10.3 - Progress

Progress control involves measuring the actual progress against the performance targets of time, cost, quality, scope, benefits and risk, and then using this information to make decisions and to take actions as required.

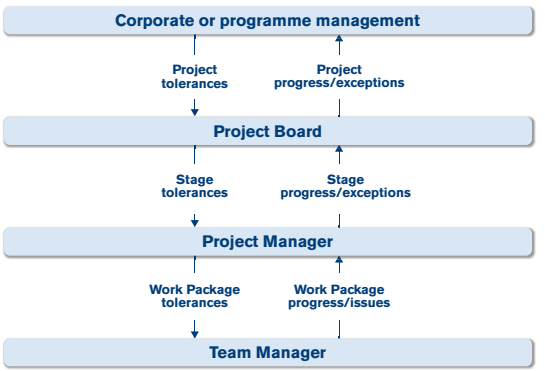
PRINCE2® provides progress control through:

- Delegating authority from one level of management to the level below it
- Dividing the project into management stages and authorizing the project one stage at a time (central to PRINCE2®)
- Time-driven and event-driven progress-reporting and reviews (this is explained further on a coming slide)
- Raising exceptions

The project's controls should be documented in the Project Initiation Documentation.

Progress – Delegating Authority

- Delegating tolerance and reporting actual and forecast progress



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Progress – Delegating Authority

The principle of management by exception uses six types of tolerance against which a project can be controlled. The allocation of tolerances follows the four levels of project organization.

Corporate or program management sits outside the project but sets the overall requirements and tolerance levels for the project.

The Project Board has overall control at a project level, as long as forecasts remain within project tolerance, and will allocate tolerances for each management stage to the Project Manager. The Project Board has the ability to review progress and decide whether to continue, change or stop the project.

The Project Manager has day-to-day control for a management stage within the tolerance limits laid down by the Project Board.

The Team Manager has control for a Work Package within the Work Package tolerances agreed upon with the Project Manager.

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Instructor Notes

Progress – Delegating Authority

section 10.3.1.1 - Progress

Make sure delegates understand the 'Corporate or program management' sit outside the project. However it is vital that also understand the project tolerances are set by them! Do not let delegates make the mistake the the Project Board sets project tolerances!

Progress – Delegating Authority (Project Board)

- The main controls available to the Project Board include:
  - Authorizations – The Project Board uses the Directing a Project process to authorize the initiation, project, each stage and project closure.
  - Progress updates – Including Highlight Reports and End Stage Reports
  - Exceptions and changes – Including Exception Reports and Issue Reports

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Progress – Delegating Authority (Project Board)

The main controls available to the Project Board include:

- **Authorizations** – The Project Board uses the Directing a Project process to authorize the initiation, project, each stage and project closure
- **Progress updates** – Including Highlight Reports and End Stage Reports
- **Exceptions and changes** – Including Exception Reports and Issue Reports.

When the Project Board has agreed upon stage tolerances with the Project Manager, it is kept informed of progress by means of Highlight Reports. There is no need for regular progress meetings during this stage, although personnel with Project Assurance responsibilities will require regular contact with the Project Manager and team members.

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Progress – Delegating Authority (Project Board)

Section 10.3.1.2 - Progress

When the Project Board has agreed stage tolerances with the Project Manager, it is kept informed of progress by means of Highlight Reports. There is no need for regular progress meetings during this stage, although personnel with Project Assurance responsibilities will require regular contact with the Project Manager and team members.

Progress – Delegating Authority (Project Manager)

- The main controls available to the Project Manager include:
  - **Authorizations** – The Project Manager will be responsible for agreeing upon and authorizing Work Packages and Work Package tolerances.
  - **Progress updates** – Including Checkpoint Reports produced by Team Managers or team members
  - **Exceptions and changes** – Use of project registers and logs to review progress and identify issues and risks that may need to be resolved

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Progress – Delegating Authority (Project Manager)

The main controls available to the Project Manager include:

- **Authorizations** – Project Manager authorizations occur during the process Controlling a Stage. The Project Manager will be responsible for agreeing upon and authorizing Work Packages and Work Package tolerances.
- **Progress updates** – Including Checkpoint Reports produced by Team Managers or team members
- **Exceptions and changes** – Use of project registers and logs to review progress and identify issues and risks that may need to be resolved

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Progress – Delegating Authority (Project Manager)

Section 10.3.1.3 - Progress

Compare and contrast with the delegated authority of the Project Board.

Progress – Management Stages (1/2)

- Management stages are partitions of the project with management decision points.
- The Project Board authorizes one management stage of the project at a time.
- The Project Board delegates the authority for day-to-day control of a stage, within agreed upon tolerances, to the Project Manager.
  - As long as the stage is forecast to remain within tolerance the Project Manager has discretion to make adjustments as required.
  - This allows the Project Board to manage by exception.

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Progress – Management Stages (1/2)

Management stages are partitions of the project with management decision points. A management stage is a collection of activities and products whose delivery is managed as a unit.

Management stages:

- Provide review and decision points, giving the Project Board the opportunity to assess the project viability at regular intervals.
- Provide the ability to ensure that key decisions are made prior to the detailed work needed to implement them.
- Allow clarification of what the impact will be of an identified external influence.
- Facilitates the management by exception principle by delegating authority to the Project Manager on a stage-by-stage basis.

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Progress – Management Stages (1/2)

Section 10.3.2 - Progress

Management stages are partitions of the project with management decision points. A management stage is a collection of activities and products whose delivery is managed as a unit.

Progress – Management Stages (2/2)

- The Project Board only authorizes the next management stage if there is sufficient business justification to continue.
- Towards the end of each stage, during the Managing a Stage Boundary process, the Project Manager will:
  - Review the Business Case and Project Plan.
  - Update the project documentation with the results of the stage.
  - Create an End Stage Report and Stage Plan to request authorization to commence the next management stage.

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Progress – Management Stages (2/2)

The Project Board only authorizes the next management stage if there is sufficient business justification to continue. If the project no longer has a valid Business Case, the Project Board has the authority to prematurely close it.

Towards the end of each stage, during the Managing a Stage Boundary process, the Project Manager will:

- Review the Business Case and Project Plan.
- Update the project documentation with the results of the stage.
- Create an End Stage Report and Stage Plan to request authorization to commence the next management stage.

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Progress – Management Stages (2/2)

The Project Board only authorizes the next management stage if there is sufficient business justification to continue. If the project no longer has a valid Business Case, the Project Board has the authority to prematurely close it.

Progress – Management Stages (Number)

- Number of stages
  - Defining management stages is a balance of:
  - How far ahead in the project it is sensible to plan
  - Where the key decision points must be on the project
  - The amount of risk within a project
- PRINCE2® projects consists of at least two management stages:
  - The initiation stage is mandatory.
  - At least one other management stage to cover the remainder of the project

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Progress – Management Stages (Number)

The use of management stages in a PRINCE2® project is mandatory, but the number of stages is flexible. Every PRINCE2® project consists of at least two management stages. The initiation stage is mandatory as it ensures that there is a firm basis for the project, which is understood by all parties. There should also be at least one other management stage to cover the remainder of the project.

Defining management stages is fundamentally a process of balancing:

- How far ahead in the project it is sensible to plan
- Where the key decision points must be on the project
- The amount of risk within a project
- Having too many short management stages (increases the project management overhead) versus too few lengthy ones (reduces the level of control)

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Progress – Management Stages (Number)

Section 10.3.2.1 - Progress

The use of management stages in a PRINCE2® project is mandatory, but the number of stages is flexible. Every PRINCE2® project consists of at least two management stages. The initiation stage is mandatory as it ensures that there is a firm basis for the project, which is understood by all parties. There should also be at least one other management stage to cover the remainder of the project.

Progress – Management Stages (Length)

- Length of stages
  - Stages should be shorter when there is greater risk, uncertainty or complexity, for example at the beginning and end of projects.
  - Factors which will influence this decision include:
    - The planning horizon at any point in time
    - The technical stages within the project
    - Alignment with program activities
    - The level of risk

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Progress – Management Stages (Length)

PRINCE2® does not define how long a management stage should be. Stages should be shorter when there is greater risk, uncertainty or complexity, for example at the beginning and end of projects.

Factors that will influence this decision include:

- **The planning horizon at any point in time**
- **The technical stages within the project** – There are often benefits if the end of management stages occur at the same time as the end of technical stages. For example, the Project Board may wish to understand any effects on the Business Case of the results of a "proof of concept" before committing to a full-scale deployment.
- **Alignment with program activities** – It may be a requirement to align the end of a management stage with a program review.
- **The level of risk** – Management stages can be very useful as a means of bringing Project Board control to risky projects. Stage breaks can be inserted at key points when risks to the project can be reviewed before major commitments of money or resources.

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Progress – Management Stages (Length)

Section 10.3.2.2 - Progress

PRINCE2® does not define how long a management stage should be. Stages should be shorter when there is greater risk, uncertainty or complexity, for example at the beginning and end of projects.

Progress – Management Stages vs. Technical Stages (1/4)

- Technical stages
  - Group work by the set of techniques used or the products created
  - Often overlap (but management stages do not)
  - Are typified by the use of a particular set of specialist skills.
- Management stages equate to commitment of resources and authority to spend.
- **The PRINCE2® approach is to concentrate on the management stages.**

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Progress – Management Stages vs. Technical Stages (1/4)

One method of grouping work is by the set of techniques used or the products created. This results in stages covering elements such as design, build and implementation. Such stages are **technical** stages and are a separate concept from the management stages already introduced.

Technical stages often overlap but management stages do not. Technical stages are typified by the use of a particular set of specialist skills. Management stages equate to commitment of resources and authority to spend.

Where a technical stage spans a management stage boundary, the extent to which the product of the technical stage should be complete at the stage boundary should be clear in the Product Description concerned.

The PRINCE2® approach is to concentrate the management of the project on the management stages since these will form the basis of the planning and control processes described throughout the method. To do otherwise runs the risk of the project being driven by the specialist teams instead of the customer's management.

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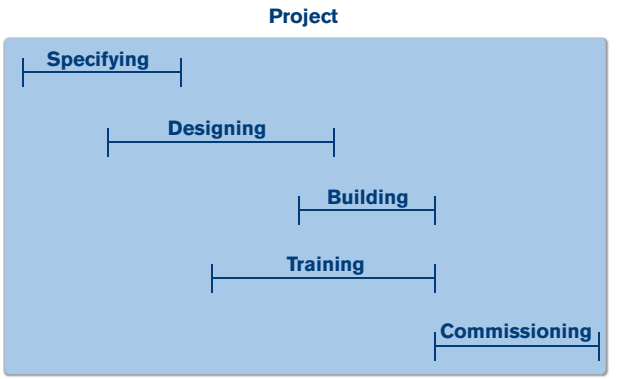
Progress – Management Stages vs. Technical Stages (1/4)

Section 10.3.2.3 - Progress

The next few slides provide a graphical representation of this concept for delegates.

The PRINCE2® approach is to concentrate the management of the project on the management stages since these will form the basis of the planning and control processes described throughout the method. To do otherwise runs the risk of the project being driven by the specialist teams instead of the customer's management.

Progress – Management Stages vs. Technical Stages (2/4)



- Specialist work defined in technical stages

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Progress – Management Stages vs. Technical Stages (2/4)

The figure above shows a project with five technical stages.

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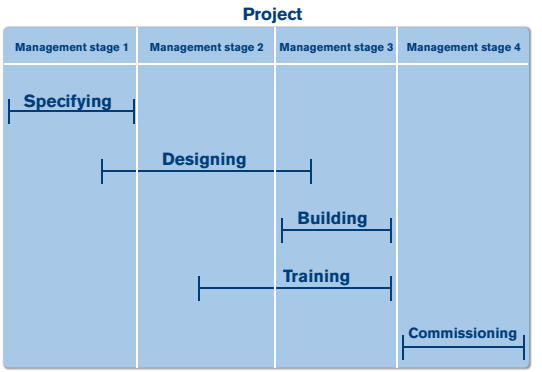
Progress – Management Stages vs. Technical Stages (2/4)

Section 10.3.2.3 - Progress

Progress – Management Stages vs. Technical Stages (3/4)

- Specialist work crossing management stage boundaries



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Progress – Management Stages vs. Technical Stages (3/4)

The figure above shows the same project from the figure on the previous page, but broken down into four management stages. Two of the technical stages span more than one management stage.

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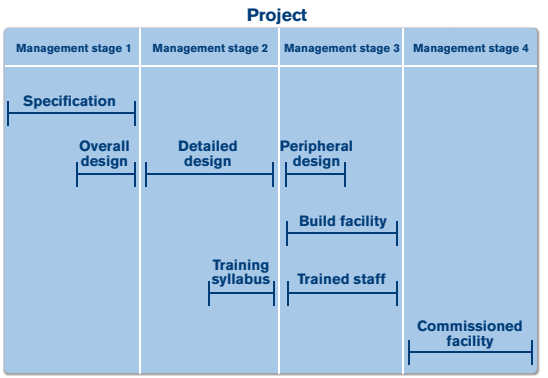
Progress – Management Stages vs. Technical Stages (3/4)

Section 10.3.2.3 - Progress

Progress – Management Stages vs. Technical Stages (4/4)



- Specialist work aligned to management stages

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Progress – Management Stages vs. Technical Stages (4/4)

The figure above shows that the technical stage of "designing" has been broken into three product groups. The overall design now falls within management stage 1, detailed design and training syllabus form the second management stage, and periphery design is scheduled for management stage 3, together with the creation of the built facility and trained staff.

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Progress – Management Stages vs. Technical Stages (4/4)

Section 10.3.2.3 - Progress

Progress – Event-driven and Time-driven Controls (1/5)

- PRINCE2® provides two types of progress controls:
  - Event-driven controls – Take place when a specific event occurs
  - Time-driven controls – Take place at pre-defined periodic intervals
- Monitoring and reporting requires a time-based approach, whereas control (decision-making) is an event-based activity.

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Progress – Event-driven and Time-driven Controls (1/5)

PRINCE2® provides two types of progress controls throughout the life of a project:

- **Event-driven controls** – Take place when a specific event occurs (for example, the end of a stage, the completion of the Project Initiation Documentation or the creation of an Exception Report).
- **Time-driven controls** – Take place at pre-defined periodic intervals (for example, producing monthly Highlight Reports for the Project Board or weekly Checkpoint Reports showing the progress of a Work Package).

Monitoring and reporting requires a time-based approach, whereas control (decision-making) is an event-based activity.

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Progress – Event-driven and Time-driven Controls (1/5)

Section 10.3.3 - Progress

PRINCE2® provides two types of progress controls:

Event-driven controls Take place when a specific event occurs. Time-driven controls Take place at pre-defined periodic intervals.

Make sure delegates understand that monitoring and reporting requires a time-based approach, whereas control (decision-making) is an event-based activity.

Progress – Event-driven and Time-driven Controls (2/5)

- The following management products assist the Project Manager in establishing baselines for progress control:
  - Project Plan
  - Stage Plans
  - Exception Plan
  - Work Packages

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Progress – Event-driven and Time-driven Controls (2/5)

The following management products assist the Project Manager in establishing baselines for progress control:

- **Project Plan** – This will include the project-level performance targets and tolerances.
- **Stage Plans** – These form the basis of the day-to-day control of the stage. They should contain details of the activities to be conducted during a management stage, their timeframes, and the resources needed to carry them out.
- **Exception Plan** – The Project Board may request an Exception Plan after having considered an Exception Report during the process Directing a Project. The Exception Plan should be produced at the same level as the plan that it replaces.
- **Work Packages** – The Project Manager authorizes a Work Package in order to trigger an individual or Team Manager to undertake a piece of work during a stage. This means that work cannot be undertaken unless the Project Manager has specifically authorized it. The individuals or teams monitor progress against the Work Package and report back to the Project Manager via Checkpoint Reports.

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Progress – Event-driven and Time-driven Controls (2/5)

Section 10.3.3.1 - Progress

Progress – Event-driven and Time-driven Controls (3/5)

- Reviewing progress
  - As part of Controlling a Stage, the Project Manager will regularly review the progress of work through Checkpoint Reports and maintain a set of project registers and logs.
  - The following management products assist the Project Manager in reviewing progress:
    - Daily Log
    - Issue Register, Quality Register, Risk Register
    - Product Status Account

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Progress – Event-driven and Time-driven Controls (3/5)

Reviewing progress

As part of Controlling a Stage, the Project Manager will regularly review the progress of work through Checkpoint Reports and maintain a set of project registers and logs. The Project Manager will use this information to update the Stage Plan with actual progress achieved.

The following management products assist the Project Manager in reviewing progress:

- **Daily Log** – This is a useful tool for recording actions, informal issues, other notes or observations that are not captured by any other registers or logs.
- **Issue Register** – This will contain details of all formal issues raised during the project, which could take the form of requests for change, off-specifications or problems/concerns.
- **Product Status Account** – This provides a snapshot of the status of products within the project, management stage or a particular area of the project. The Product Status Account is derived from the Configuration Items Records.
- **Quality Register** – This is a record of all planned and implemented quality activities.
- **Risk Register** – This is a record of all identified risks. The Project Manager should review the Risk Register as part of reviewing stage status.

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Progress – Event-driven and Time-driven Controls (3/5)

Section 10.3.3.2 - Progress

As part of Controlling a Stage, the Project Manager will regularly review the progress of work through Checkpoint Reports and maintain a set of project registers and logs.

The following management products assist the Project Manager in reviewing progress:

- Daily Log
- Issue Register
- Product Status Account
- Quality Register
- Risk Register

Progress – Event-driven and Time-driven Controls (4/5)

- Capturing and Reporting Lessons
  - The following management products are used for capturing and reporting lessons when reviewing progress:
    - Lessons Log
    - Lessons Report

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Progress – Event-driven and Time-driven Controls (4/5)

Capturing and Reporting Lessons

The following management products are used for capturing and reporting lessons when reviewing progress:

- **Lessons Log** – One of the principles of a PRINCE2® project is that the project management team learns from experience, which means that lessons are sought, recorded and actioned throughout. It is often in the reviewing of progress that lessons are identified.
- **Lessons Report** – Although lessons may be identified and recorded during a project, learning lessons involves taking action to implement improvements. As a minimum, however, a Lessons Report should be produced during the process, Closing a Project. However, actions to learn lessons can be taken at any time.

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Instructor Notes

Progress – Event-driven and Time-driven Controls (4/5)

Section 10.3.3.3 - Progress

Remind delegates that capturing lessons is part of the SU process.

Progress – Event-driven and Time-driven Controls (5/5)

- Reporting progress
  - The frequency of reporting should reflect the level of control required
  - The following management products are used for progress reporting:
    - Checkpoint Report
    - Highlight Report
    - End Stage Report
    - End Project Report

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Progress – Event-driven and Time-driven Controls (5/5)

Reporting progress

The frequency of reporting should reflect the level of control required, and this is likely to vary during the project.

The following management products are used for progress reporting:

- **Checkpoint Report** – The Team Manager will produce this to provide the Project Manager with details of progress against the Work Package.
- **Highlight Report** – The Project Manager produces this report on management stage progress for the Project Board. The Highlight Report allows members of the Project Board to manage by exception.
- **End Stage Report** – This is produced by the Project Manager towards the end of each management stage, providing the Project Board with the information on the progress to date, the overall project situation and (in tandem with the next stage plan) sufficient information to ask for a Project Board decision on what to do next with the project.
- **End Project Report** – This is produced by the Project Manager towards the end of the project, during the Closing a Project process, and is used by the Project Board to evaluate the project and authorize closure.

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Progress – Event-driven and Time-driven Controls (5/5)

Section 10.3.3.4 - Progress

Make sure delegates know who writes the various reports and whick level of authority use them as controls.

For example even though the Team Managers write a checkpoint report it is actually used by the Project Manager as a control document.

See the Case Study for an exercise identifying controls and levels of authority.

Progress – Raising Exceptions

- Work Package level exceptions
  - The Team Manager should inform the Project Manager by raising an issue.
- Stage level exceptions
  - The Project Manager should produce an Issue Report and then provide an Exception Report for the Project Board.
- Project level exceptions
  - The matter must be referred to corporate or program management for a decision.

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Progress – Raising Exceptions

The output from reviewing progress is a decision as to whether the Work Package, Stage Plan or Project Plan remain, or forecast to remain, within agreed upon tolerances:

- Work Package level exceptions – If a Work Package is forecast to exceed its tolerances, the Team Manager should inform the Project Manager by raising an issue.
- Stage level exceptions – If the stage is forecast to exceed its tolerances:
  - The Project Manager should produce an Issue Report to capture and analyze the details of the deviation.
  - Next, provide an Exception Report for the Project Board.
  - The Project Board may request that the Project Manager produces an Exception Plan to replace the plan that was forecast to exceed tolerance.
    - The Project Board may also remove the cause.
    - Accept and adjust tolerance
    - Or request more time to consider or reject the recommendations in the Issue Report
- **Project level exceptions** – If the forecast is for project tolerances to be exceeded, the Project Board no longer has the authority to manage the project and must refer the matter to corporate or program management for a decision. They may request the Project Manager to produce an Exception Plan for the project.

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Instructor Notes

Progress – Raising Exceptions

Section 10.3.4 - Progress

It is very important that delegates understand what to do about raising exceptions at various levels.

For example Work Package level exceptions are raised as an issue.

Stage level exceptions use an Exception Report.

Project level exceptions must be refered to corporate or program management.

Progress – Responsibilities

- Corporate or program management
- Executive
- Senior User
- Senior Supplier
- Project Manager
- Team Manager
- Project Assurance
- Project Support

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Progress – Responsibilities

Corporate or program management

- Provide project tolerances and document them in the project mandate.
- Make decisions on Exception Plans when project-level tolerances are forecast to be exceeded.

Executive

- Provide stage tolerances.
- Ensure that progress towards the outcome remains consistent from the business perspective.
- Make decisions on Exception Plans when stage-level tolerances are forecast to be exceeded.
- Recommend future action on the project to corporate or program management if the project tolerance is forecast to be exceeded.

Senior User

- Ensure that progress towards the outcome remains consistent from the user perspective.

Senior Supplier

- Ensure that progress towards the outcome remains consistent from the supplier perspective.

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Progress – Responsibilities

Table 10.2 pg 110

Project Manager

- Authorize Work Packages.
- Monitor progress against Stage Plans.
- Produce Highlight Reports, End Stage Reports, Lessons Reports and an End Project Report.
- Produce Exception Reports for the Project Board when stage-level tolerances are forecast to be exceeded.
- Maintain the project's registers and logs.

Team Manager

- Agree upon Work Packages with the Project Manager.
- Inform Project Support of completed quality activities.
- Produce Checkpoint Reports.
- Notify the Project Manager of any forecast deviation from Work Package tolerances.

Project Assurance

- Verify the Business Case against external events and project progress.
- Verify changes to the Project Plan to see whether there is any impact on the needs of the business or the Business Case.
- Confirm stage and project progress against agreed tolerances.

Project Support

- Assist with the compilation of reports.
- Contribute specialist tool expertise (for example, planning and control tools). Number, record, store and distribute Issue Reports and Exception Reports.
- Assist the Project Manager to maintain the Issue Register and Risk Register Maintain the Quality Register on behalf of the Project Manager.

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Change (Theme)

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Change (Theme)

Timing: This Change section should take 45 mins including Case Study exercises.

Change – Purpose

- Purpose
  - To identify, assess and control any potential and approved changes to baselines
- Every project requires a systematic approach to the identification, assessment and control of issues that may result in change.
- A prerequisite of effective issue and change control is the establishment of an appropriate configuration management system.

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Change – Purpose

The purpose of the **Change** theme is to identify, assess and control any potential and approved changes to baselines.

Change is inevitable during the life of a project, and every project requires a systematic approach to the identification, assessment and control of issues that may result in change.

The aim of issue and change control procedures is not to prevent changes; the aim is to ensure that every change is agreed upon by the relevant authority before it takes place.

Change can only be considered in relation to an established baseline. Therefore, a prerequisite of effective issue and change control is the establishment of an appropriate configuration management system that records baselines for the project's products and ensures that correct versions are delivered to the customer.

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Change – Purpose

Section 9.1 - Change

The purpose of the Change theme is to identify, assess and control any potential and approved changes to baselines.

The aim of issue and change control procedures is not to prevent changes; it is to ensure that every change is agreed by the relevant authority before it takes place.

Change can only be considered in relation to an established baseline. Therefore, a prerequisite of effective issue and change control is the establishment of an appropriate configuration management system which records baselines for the project's products and ensures that correct versions are delivered to the customer. This is very important!

Change – Change Defined (1/2)

- Issue and change control
  - Issue and change control procedures ensure that all changes that may affect the project's agreed upon baselines are identified, assessed and either approved, rejected or deferred.
- Configuration management
  - Configuration management is the technical and administrative activities concerned with the creation, maintenance and controlled change of configuration throughout the life of a product (or item).

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Change – Change Defined (1/2)

Issue and change control

Issue and change control procedures ensure that all changes that may affect the project's agreed upon baselines are identified, assessed and either approved, rejected or deferred.

Configuration management

Configuration management is the technical and administrative activities concerned with the creation, maintenance and controlled change of configuration throughout the life of a product (or item).

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Change – Change Defined (1/2)

section 9.2.1 and 9.2.2 - Change

Issue and change control

Issue and change control procedures ensure that all changes that may affect the project's agreed baselines are identified, assessed and either approved, rejected or deferred.

Configuration management

Configuration management is the technical and administrative activities concerned with the creation, maintenance and controlled change of configuration throughout the life of a product.

Change – Change Defined (2/2)

- Issues
  - PRINCE2® uses the term "issue" to cover anything happening during the project that, unless resolved, will result in a change to a baselined product, plan or performance target (time, cost, quality, scope, risk and benefits).
- Types of issues
  - Issues may be raised at any time during the project, by anyone with an interest in the project or its outcome.

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Change – Change Defined (2/2)

Issues

PRINCE2® uses the term "issue" to cover anything happening during the project which, unless resolved, will result in a change to a baselined product, plan or performance target (time, cost, quality, scope, risk and benefits).

Types of issues

Issues may be raised at any time during the project, by anyone with an interest in the project or its outcome.

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Change – Change Defined (2/2)

Section 9.2.3 and 9.2.4 - Change

Issues

PRINCE2® uses the term 'issue' to cover anything happening during the project which, unless resolved, will result in a change to a baselined product, plan or performance target (time, cost, quality, scope, risk and benefits).

Types of issue

Issues may be raised at any time during the project, by anyone with an interest in the project or its outcome.

Change – Types of Issues

- Request for change
  - A proposal for a change to a baseline
- Off-specification
  - Something that should be provided by the project, but currently is not provided. This might be a missing product or a product not meeting its specification.
- Problem/concern
  - Any other issue that the Project Manager needs to resolve or escalate

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Change – Types of Issues

Request for change is a proposal for a change to a baseline.

Example: The Senior User would like to increase the capacity of a product from 100 to 150 users.

Off-specification is something that should be provided by the project, but currently is not provided (or is forecast not to be provided). This might be a missing product or a product not meeting its specification.

Example: Advice from a supplier that they can no longer deliver one of the products specified by the customer.

Problem/concern is any other issue that the Project Manager must resolve or escalate.

Example: Advice from a Team Manager that a team member has been taken ill and as a result the target end date for a Work Package will slip by a week. Notification that one of the suppliers has declared bankruptcy, resulting in the need to identify and engage a new supplier.

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Instructor Notes

Change – Types of Issues

Section 9.2.4 - Change

Request for change

A proposal for a change to a baseline.

Off-specification

Something that should be provided by the project, but currently is not provided (or is forecast not to be provided). This might be a missing product or a product not meeting its specification.

Problem/concern

Any other issue that the Project Manager needs to resolve or escalate.

Examples are provided in the student notes.

Change – Establishing Controls

- The following management products are used to establish and maintain the project's controls for issues, changes and configuration management:
  - Configuration Management Strategy (see following page)
  - Configuration Item Records
  - Product Status Accounts
  - Daily Log
  - Issue Register
  - Issue Reports

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Change – Establishing Controls

The project's controls for issues, changes and configuration management will be defined and established by the Initiating a Project process and then reviewed and (if necessary) updated toward the end of each management stage by the Managing a Stage Boundary process.

The following management products are used to establish and maintain the project's controls for issues, changes and configuration management:

Configuration Management Strategy (see following page for more detail)

Configuration Item Records

The purpose of the Configuration Item Records is to provide a set of records that describe such information as the status, version and variant of each configuration item and any details of important relationships between items.

Product Status Account

The purpose of the Product Status Account is to provide information about the state of products within defined limits.

Daily Log

A Daily Log is used to record problems/concerns that may be informally handled by the Project Manager.

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Change – Establishing Controls

Section 9.3.1 - Change

The project's controls for issues, changes and configuration management will be defined and established by the Initiating a Project process and then reviewed and (if necessary) updated toward the end of each management stage by the Managing a Stage Boundary process.

Go through the following management products in the student notes that are used to establish and maintain the project's controls for issues, changes and configuration management.

Issue Register

The purpose of the Issue Register is to capture and maintain information on all of the issues that are being managed formally. The Issue Register should be monitored by the Project Manager on a regular basis.

Issue Report

A report containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that must be formally handled.

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Change – Configuration Management Strategy (1/2)

- A configuration management system facilitates impact assessments and maintains product baselines.
- The Configuration Management Strategy should define:
  - The configuration management procedure (e.g., planning, identification, control, status accounting, verification and audit)
  - The issue and change control procedure (e.g., capturing, examining, proposing, decision-making, implementation)

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Change – Configuration Management Strategy (1/2)

Effective issue and change control is only possible if it is supported by a configuration management system that facilitates impact assessments (relationships between products) and maintains product baselines (the basis from which the entity will change).

The project's Configuration Management Strategy should define:

- The configuration management procedure (e.g., planning, identification, control, status accounting, verification and audit)
- The issue and change control procedure (e.g., capturing, examining, proposing, decision-making, implementation)
- Timing of configuration management and issue and change control activities
- The roles and responsibilities for configuration management and issue and change control activities

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Change – Configuration Management Strategy (1/2)

Section 9.3.1.1 - Change

Effective issue and change control is only possible if it is supported by a configuration management system that facilitates impact assessments (relationships between products) and maintains product baselines (the basis from which the entity will change).

Change – Configuration Management Strategy (2/2)

- The Configuration Management Strategy should define the way issues are handled such as:
  - The scale for prioritizing issues
  - The scale for rating the severity of issues
  - The severity level of issues that can be handled at what management level
- The Project Board may consider
  - Delegating some decision-making for accepting/rejecting requests for change or off-specifications to a Change Authority
  - Whether to provide a budget to pay for changes

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Change – Configuration Management Strategy (2/2)

The Configuration Management Strategy should define the way issues are handled. During the initiation stage, the Project Manager and Project Board must agree upon:

- The scale for prioritizing issues
- The scale for rating the severity of issues
- The severity level of issues that can be handled at what management level

The Project Manager and Project Board could agree that minor issues can be dealt with by the Project Manager, significant issues by a Change Authority, but major issues must be escalated to the Project Board and critical issues escalated to Corporate or Program Management.

When deciding the severity level of issues that can be dealt with at what level of management, the Project Board may consider delegating some decision-making for accepting/rejecting requests for change or off-specifications to a Change Authority and whether to provide a budget to pay for changes:

- **Change Authority** – It is the Project Board's responsibility to review and approve requests for change and off-specifications but may choose to delegate some decisions to a person or group, called the Change Authority. The Project Manager and/or the people with delegated Project Assurance responsibilities may act as the Change Authority.
- **Change budget** – This is a sum of money that the customer and supplier agree will be used to fund the cost of requests for change.

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Change – Configuration Management Strategy (2/2)

When deciding what severity of issues can be dealt with at what level of management, the Project Board may consider delegating some decision-making for accepting/rejecting requests for change or off-specifications to a Change Authority and whether to provide a budget to pay for changes.

The Change Authority was covered briefly during the organization theme on Day 1. This should be used as a revision.

Change – Configuration Management Procedure

- Configuration management procedures can vary, but they typically comprise five core activities:
  - Planning
  - Identification
  - Control
  - Status accounting
  - Verification and audit

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Change – Configuration Management Procedure

Configuration management procedures can vary, but they typically comprise five core activities:

- **Planning** – Deciding what level of configuration management will be required by the project and planning how this level is to be achieved.
- **Identification** – Specifying and identifying all components of the project's products (known as configuration items) at the required level of control. A coding system should be established enabling a unique identifier for each configuration item to be allocated and various attributes of the product recorded.
- **Control**
  - Both management and specialist products are subject to configuration control.
  - Control allows the ability to approve and baseline products and to make changes only with the agreement of appropriate authorities.
  - Configuration control also includes:
    - The storing and retrieving of all information relevant to the management of the project
    - Ensuring the safety and security of configuration items and controlling who has access to them
    - Distribution of copies of all configuration items
    - Archiving of all documentation produced during the project lifecycle

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Change – Configuration Management Procedure

Section 9.3.2 - Change

Go through with delegates the five core activities of Configuration Management. Use an example from the real world to make this clear...for example a library.

- **Status accounting** – The reporting of all current and historical data concerning each product in the form of a Product Status Account
- **Verification and audit** – A series of reviews and configuration audits to compare actual status of all products against the authorized state of products as registered in the Configuration Item Records, looking for any discrepancies.

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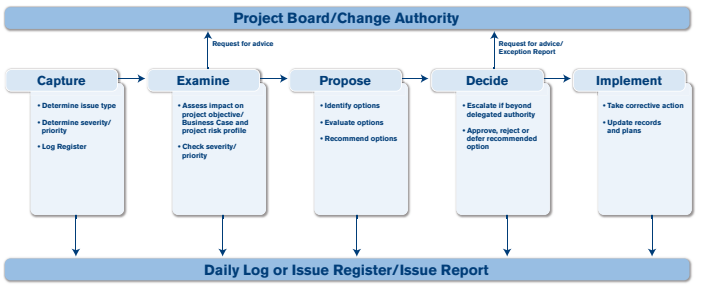
Change – Issue and Change Control Procedure (1/6)

- Issue and change control procedure



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Change – Issue and Change Control Procedure (1/6)

PRINCE2® provides a common approach to dealing with requests for change, off-specifications and problems/concerns.

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Instructor Notes

Change – Issue and change control procedure (1/6)

Figure 9.1 pg 95.

Go through this diagram in some detail with delegates. The next few slides provide some additional details for each step.

Change – Issue and Change Control Procedure (2/6)

- Capture
  - Undertake initial analysis to determine the type of issue that has been raised and whether it can be managed informally or formally.
  - Issues being managed formally should be entered in the Issue Register and given a unique identifier.
    - An Issue Report should be created to capture what's already known about the issue.

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Change – Issue and Change Control Procedure (2/6)

Capture

The first step in the procedure is to undertake initial analysis to determine the type of issue that has been raised and whether it can be managed informally or formally.

Issues being managed formally should be entered in the Issue Register and given a unique identifier. An Issue Report should be created to capture what's already known about the issue. It is often useful to ask the person who raised the issue to create the initial Issue Report.

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Change – Issue and change control procedure (2/6)

Section 9.3.3.1 - Change

The first step in the procedure is to undertake initial analysis to determine the type of issue that has been raised and whether it can be managed informally or formally

Issues being managed formally should be entered in the Issue Register and given a unique identifier. An Issue Report should be created to capture what's already known about the issue.

Change – Issue and Change Control Procedure (3/6)

- Examine
  - The issue is examined by undertaking an impact analysis.
  - The impact analysis should consider the impact the issue has (or will have) on:
    - The project performance targets
    - The project Business Case
    - The project risk profile

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Change – Issue and Change Control Procedure (3/6)

Examine

The next step is to examine the issue by undertaking an impact analysis.

The impact analysis should consider the impact the issue has (or will have) on:

- The project performance targets in terms of time, cost, quality and scope
- The project Business Case, especially in terms of the impact on benefits
- The project risk profile (i.e., the impact on the overall risk exposure of the project)

Impact analysis must cover the three areas of business, user and supplier—for example, the supplier's cost and effort required to implement a change and what products would have to be changed. Having undertaken the impact analysis, the severity or priority should be reevaluated.

It may be necessary to request advice from the Project Board to check their understanding of the issue's priority or severity before proposing resolutions.

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Change – Issue and change control procedure (3/6)

Section 9.3.3.2 - Change

The next step is to examine the issue by undertaking an impact analysis.

The impact analysis should consider the impact the issue has (or will have) on:

- The project performance targets in terms of time, cost, quality and scope
- The project Business Case
- The project risk profile

Impact analysis must cover the three areas of business, user and supplier. Having undertaken the impact analysis, the severity or priority should be re-evaluated.

Change – Issue and Change Control Procedure (4/6)

- Propose
  - Having gained a full understanding of the impact of the issue, the next step is to consider alternative options for responding to it and proposing a course of action to take.
  - If the proposed option would take the stage or project beyond any tolerances, consider preparing an Exception Report for that option to accompany the Issue Report.

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Change – Issue and Change Control Procedure (4/6)

Propose

Having gained a full understanding of the impact of the issue, the next step is to consider alternative options for responding to it and proposing a course of action to take.

Consideration should be given as to the effect each of the options will have on the project's time, cost, quality, scope, benefit and risk performance targets. There must be a balance between the advantage to be gained by implementing the option, and the time, cost and risk of implementing it.

If the proposed option would take the stage or project beyond any tolerances, consider preparing an Exception Report for that option to accompany the Issue Report.

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Change – Issue and change control procedure (4/6)

Section 9.3.3.3 - Change

Having gained a full understanding of the impact of the issue, the next step is to consider alternative options for responding to it and proposing a course of action to take.

If the proposed option would take the stage or project beyond any tolerances, consider preparing an Exception Report for that option to accompany the Issue Report.

Change – Issue and Change Control Procedure (5/6)

- Decide
  - The Project Manager may be able to resolve issues without the need to escalate them to the Project Board.
  - Other issues may require escalation to the Project Board (or its delegated Change Authority) for a decision.
    - The escalation could be in the form of an Issue Report (as part of a request for advice) or in the form of an Exception Report.

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Change – Issue and Change Control Procedure (5/6)

Decide

The Project Manager may be able to resolve issues without the need to escalate them to the Project Board. Other issues may require escalation to the Project Board (or its delegated Change Authority) for a decision. The escalation could be in the form of an Issue Report or in the form of an Exception Report.

For escalated issues and exceptions, the likely Project Board responses are shown below.

Request for change

Possible decisions:

- Approve the change.
- Reject the change.
- Defer decision.
- Request more information.
- Ask for an Exception Plan (if the request for change cannot be implemented within the limits delegated to the Change Authority).

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Change – Issue and change control procedure (5/6)

Section 9.3.3.4 - Change

The Project Manager may be able to resolve issues without the need to escalate them to the Project Board. Other issues may need to be escalated to the Project Board (or its delegated Change Authority) for a decision. The escalation could be in the form of an Issue Report or in the form of an Exception Report.

Go through the likely Project Board responses for escalated issues and exceptions as highlighted in the student notes.

Make special mention of the fact that tolerance should not be used to fund requests for change. Information from this slide can help answer question 23 in the Case Study.

Considerations:

If a request for change involves extra cost, there are three principal ways to fund it:

- Use the change budget (if being used and if of sufficient size).
- Increase the project budget.
- De-scope other elements of the project.

Tolerance should not be used to fund requests for change.

Off-specification

Possible decisions:

- Grant a concession.
- Reject the off-specification.
- Defer decision.
- Request more information.
- Ask for an Exception Plan (if the concession cannot be granted within the limits delegated to the Change Authority).

Considerations:

The Project Board may decide to accept the off-specification without corrective action. This is referred to as a **concession**. When a product is granted a concession, the Product Description will need to be revised before the product is handed over to the User.

Problem/concern

Possible decisions:

- Provide guidance.
- Ask for an Exception Plan.

Considerations:

Could the problem/concern be resolved by relaxing the stage tolerances?

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Change – Issue and Change Control Procedure (6/6)

- Implement
  - The Project Manager will either:
    - Take the necessary corrective action
    - Create an Exception Plan for approval by the Project Board
- In both cases, the Project Manager will update the Issue Register and Issue Report with the decision and inform all interested parties.

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Change – Issue and Change Control Procedure (6/6)

Implement

The Project Manager will either:

- Take the necessary corrective action (such as updating a Work Package or issuing a new one)
- Or create an Exception Plan for approval by the Project Board

In both cases, the Project Manager will update the Issue Register and Issue Report with the decision and inform all interested parties.

Once the issue is closed the Project Manager should update the Issue Register and the Issue Report.

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Change – Issue and change control procedure (6/6)

Section 9.3.3.5 - Change

The Project Manager will either:

- Take the necessary corrective action (such as updating a Work Package or issuing a new one)
- Create an Exception Plan for approval by the Project Board

Change – Management by Exception

- The Issue and Change Control procedure supports the manage by exception principle by establishing a procedure that can escalate any issues or changes that may have an impact on defined tolerances
- There will often be issues that may need to be escalated to the Project Board for a decision
  - The escalation could be in the form of an Issue Report or in the form of an Exception Report (if the selected option to address the issue would cause an exception)
  - For escalated issues and exceptions, the Project Board may ask for the Project Manager to produce an Exception Plan

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Change – Management by Exception

The Issue and Change Control procedure supports the manage by exception principle by establishing a procedure that can escalate any issues or changes that may have an impact on defined tolerances.

The first step in the procedure is to capture the issue or change. A lot of issues can be handled by the Project Manager and will not need to be escalated to a higher authority. In such cases the Project Manager should decide on the best course of corrective action. This avoids the Project Board being inundated with too many issues and therefore diluting the time it has available to deal with the key issues affecting the project.

The next step is to examine the issue by undertaking an impact analysis. The Project Manager needs to consider whether it is worthwhile doing a detailed impact analysis as the duration and effort required to undertake one may itself cause a deviation from the plan.

The impact analysis should consider the impact the issue has (or will have) on:

- The project performance targets and impact on tolerances in terms of time, cost, quality and scope
- The project Business Case, especially in terms of the impact on benefits
- The project risk profile, i.e. the impact on the overall risk exposure of the project.

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There will often be issues that may need to be escalated to the Project Board (or its delegated Change Authority) for a decision. The escalation could be in the form of an Issue Report (as part of a request for advice) or in the form of an Exception Report (if the selected option to address the issue would cause an exception). For escalated issues and exceptions, the Project Board may ask for the Project Manager to produce an Exception Plan. For example the Project Board may ask for an Exception Plan if a:

- Request for Change cannot be implemented within limits delegated to the Change Authority
- Concession to an off-specification cannot be implemented within limits delegated to the Change Authority

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Change – Responsibilities

- Corporate or program management
- Executive
- Senior User
- Senior Supplier
- Project Manager
- Team Manager
- Project Assurance
- Project Support

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Change – Responsibilities

Corporate or program management

- Provide on the corporate or program strategy for change control, issue resolution and configuration management.

Executive

- Raise issues.
- Determine the Change Authority and change budget.
- Set the scale for severity ratings for issues.
- Set the scale for priority ratings for requests for change and off-specifications.
- Respond to requests for advice from the Project Manager.
- Make decisions on escalated issues with particular focus on continued business justification.

Senior User

- Raise issues.
- Respond to requests for advice from the Project Manager.
- Make decisions on escalated issues with particular focus on safeguarding the expected benefits.

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Change – Responsibilities

Table 9.3 pg 97

- Senior Supplier
- Raise issues.
- Respond to requests for advice from the Project Manager.
- Make decisions on escalated issues with particular focus on safeguarding the integrity of the complete solution.

Project Manager

- Raise issues.
- Manage the configuration management procedure, assisted by Project Support, where possible.
- Manage the issue and change control procedure, assisted by Project Support, where possible.
- Create and maintain the Issue Register, assisted by Project Support, where possible.
- Implement corrective actions.

Team Manager

- Raise issues.
- Implement corrective actions.

Project Assurance

- Advise on examining and resolving issues.

Project Support

- Administer the configuration management and issue and change control procedures:
- Maintain Configuration Item Records.
- Produce Product Status Accounts.
- Assist the Project Manager to maintain the Issue Register.

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Day 3

Controlling a Stage & Managing Product Delivery (Processes)

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Controlling a Stage & Managing Product Delivery (Processes)

Timing: This CS and MP section should take 60 mins including Case Study exercises.

These two processes are covered together as they are so closely linked.

Controlling a Stage – Purpose

- Purpose
  - Assign work to be done,
  - Monitor such work,
  - Deal with issues,
  - Report progress to the Project Board and,
  - Take corrective actions to ensure that the stage remains within tolerance.

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Slide 2

Controlling a Stage – Purpose

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

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Controlling a Stage – Purpose

Section 15.1 - CS

Controlling a Stage is the process where the Project Manager assigns work to be done, monitors such work, deal with issues, reports progress to the Project Board, and takes corrective actions to ensure that the stage remains within tolerance.

Controlling a Stage – Objectives

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

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Slide 3

Controlling a Stage – Objectives

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

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

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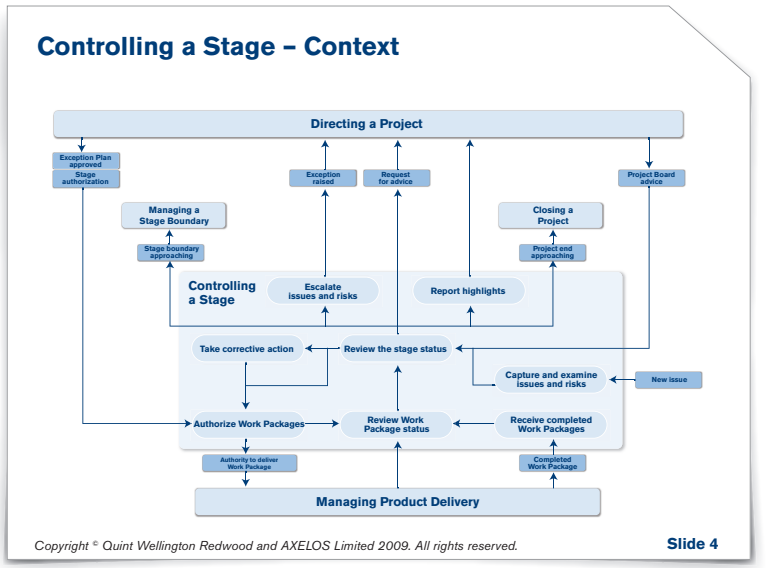
Controlling a Stage – Objectives

Section 15.2 - CS

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

- Risks and issues are kept under control
- The Business Case is kept under review
- The agreed products for the stage are delivered to stated quality standards, within cost, effort and time agreed
- Tolerances laid down.



Controlling a Stage – Context

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

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

Work Packages are used to define and control the work to be done, and also to set tolerances for the Team Manager.

Throughout a stage the day-to-day control of the work will consist of a cycle of:

- Authorizing work to be done
- Monitoring progress information about that work
- Watching for, and assessing, issues and risks
- Reviewing the situation and triggering new Work Packages
- Reporting
- Reviewing product quality status
- Taking any necessary corrective action

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Controlling a Stage – Context

Section 15.3 - CS

The Controlling a Stage process describes the work of the Project Manager in handling the day-to-day management of the stage. This process will be used for each delivery stage of a project.

It is important to let delegates know that the Controlling a Stage process is normally first used after the Project Board authorizes the project, but it may optionally be used during the initiation stage for large or complex projects with a lengthy initiation. This recognition is new to the 2009 version.

Controlling a Stage – Activities

- Controlling a Stage activities
  - Work Packages:
    - Authorize a Work Package, review Work Package status, and receive completed Work Packages.
  - Monitoring and reporting:
    - Review stage status and report highlights.
  - Issues:
    - Capture and examine issues and risks, escalate issues and risks, and take corrective action.

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Slide 5

Controlling a Stage – Activities

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

Work Packages:

- Authorize a Work Package.
- Review Work Package status.
- Receive completed Work Packages.

Monitoring and reporting:

- Review stage status.
- Report highlights.

Issues:

- Capture and examine issues and risks.
- Escalate issues and risks.
- Take corrective action.

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Controlling a Stage – Activities

Section 15.4 - CS

The main work of the Project Manager during CS includes authorizing, reviewing and receiving completed Work Packages, monitoring and reporting stage status and highlights as well as managing issues. All these will be discussed in more depth in the upcoming slides.

Controlling a Stage – Authorize a Work Package (1/2)

- A Work Package should cover the work to create one or more products with their supporting Product Descriptions.
- The triggers for the Project Manager to authorize a Work Package include:
  - Stage authorization
  - Exception Plan approved
  - New Work Package required
  - Corrective action

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Slide 6

Controlling a Stage – Authorize a Work Package (1/2)

It is important that work only commences and continues with the consent of the Project Manager. The vehicle for this is the production, execution and delivery of a Work Package. A Work Package should cover the work to create one or more products. If a product requires more than one Work Package to create it, then it should be broken down into further products with their supporting Product Descriptions.

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

- Stage authorization
- Exception Plan approved
- New Work Package required (an output from review stage status)
- Corrective action (in response to an issue or risk)

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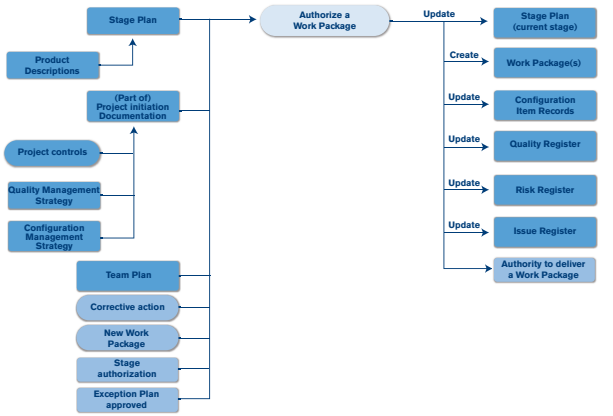
Controlling a Stage – Authorize a Work Package (1/2)

Section 15.4.1 - CS

It is important that work only commences and continues with the consent of the Project Manager. The vehicle for this is the production, execution and delivery of a Work Package.

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

Controlling a Stage – Authorize a Work Package (2/2)



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Slide 7

Controlling a Stage – Authorize a Work Package (2/2)

PRINCE2® recommends the following actions:

- Define each Work Package to be authorized (or amended):
  - Obtain the relevant Product Descriptions for inclusion in the Work Package.
  - Define the joint agreements on effort, cost, start and end dates, key milestones and tolerances.
  - Define any constraints that may apply.
  - Define the reporting, problem handling and escalation arrangements.
  - Define the approval requirements.
  - Provide relevant references (e.g., Stage Plan, Product Descriptions).
- Review the Work Package with the Team Manager, ensure that they have accepted it, and authorize them to begin work.
- Review the Team Manager's Team Plan and update the Stage Plan to reflect the timing of the Work Packages authorized.
- Update the Quality Register for planned quality management activities.

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Instructor Notes

Controlling a Stage – Authorize a Work Package (2/2)

Section 15.4.1 - CS

Also look at Table 15.1 pg 170 for responsibilities and management products for this sub-process.

Controlling a Stage – Review Work Package Status (1/2)

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

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Slide 8

Controlling a Stage – Review Work Package Status (1/2)

This activity provides the means for a regular assessment of the status of the Work Package(s).

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

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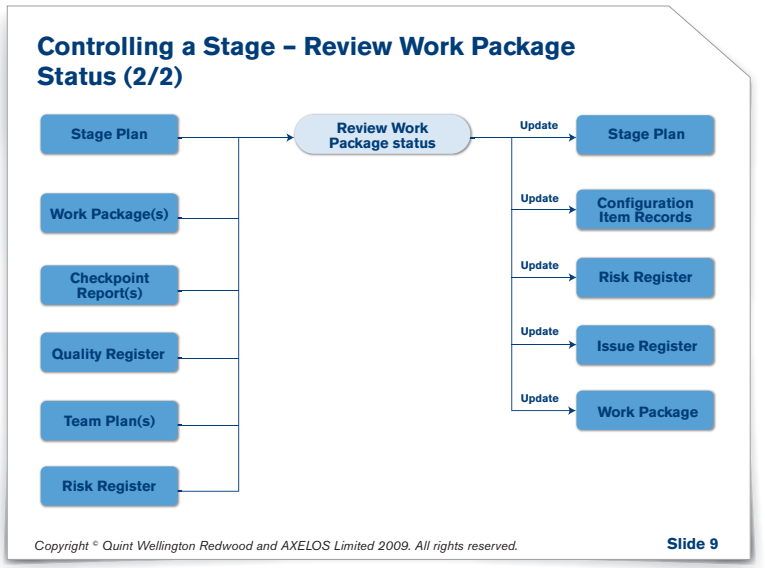
Controlling a Stage – Review Work Package status (1/2)

Section 15.4.2 - CS

This activity provides the means for a regular assessment of the status of the Work Package(s).



Controlling a Stage – Review Work Package Status (2/2)

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

- Collect and review progress information from the Checkpoint Report for the Work Package being executed:
  - Assess the estimated time and effort to complete any unfinished work.
  - Update the Stage Plan for the current stage with actuals to date, forecasts and adjustments.

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Instructor Notes

Controlling a Stage – Review Work Package status (2/2)

Section 15.4.2 - CS

Also look at Table 15.2 pg 171 for responsibilities and management products for this sub-process.

Controlling a Stage – Receive Completed Work Packages (1/2)

- Where work has been allocated to individuals or teams, there should be a matching confirmation that the work has been completed and approved.
- Once approved, any subsequent changes to the product(s) must pass through change control.
  - This should be an automatic part of any configuration management method being used.

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Controlling a Stage – Receive Completed Work Packages (1/2)

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

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

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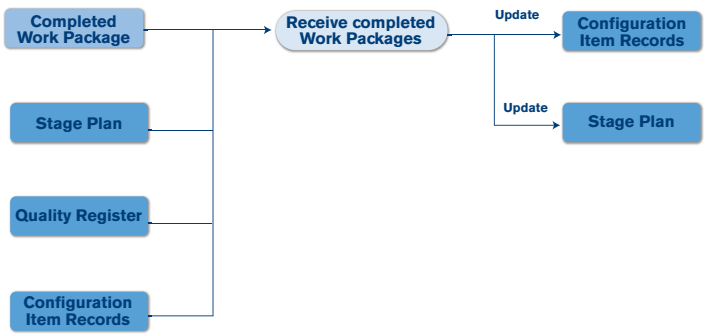
Controlling a Stage – Receive completed Work Packages (1/2)

Section 15.4.3 - CS

It is importnat for delegates to make the connection that once a Work Packagehas been approved, any subsequent changes to the product(s) must pass through change control. This should be an automatic part of any configuration management method being used.

Controlling a Stage – Receive Completed Work Packages (2/2)



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Slide 11

Controlling a Stage – Receive Completed Work Packages (2/2)

PRINCE2® recommends the following actions:

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

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Instructor Notes

Controlling a Stage – Receive completed Work Packages (2/2)

Section 15.4.3 - CS

Also look at Table 15.3 pg 173 for responsibilities and management products for this sub-process.

Controlling a Stage – Review Stage Status (1/2)

- The objective of this activity is to maintain an accurate and current picture of progress on the work being carried out and the status of resources.
- This activity:
  - Occurs at a frequency defined in the Stage Plan
  - May be triggered by Project Board advice
  - Forms part of the analysis of new issues and risks

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Controlling a Stage – Review Stage Status (1/2)

If the project is not checked on a timely basis, there is a danger that it may veer off track.

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

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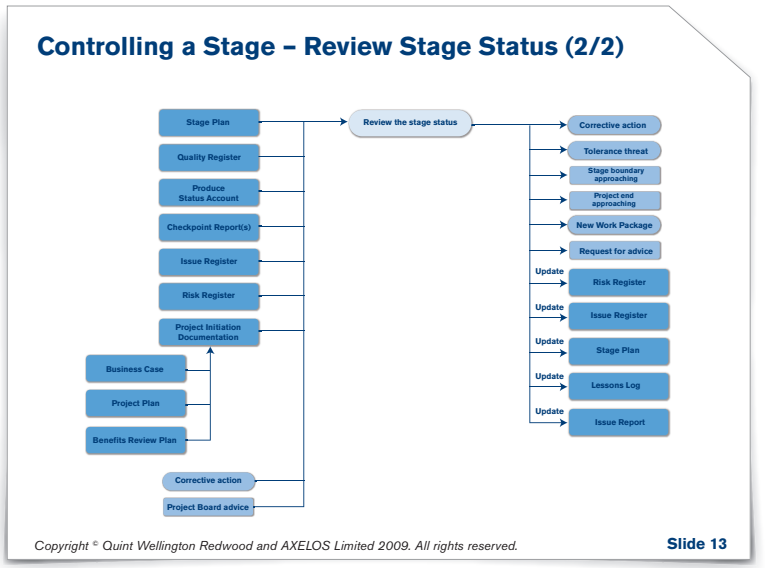
Controlling a Stage – Review stage status (1/2)

Section 15.4.4 - CS

The objective of this activity is to maintain an accurate and current picture of progress on the work being carried out and the status of resources so that it does not get out of control.



Controlling a Stage – Review Stage Status (2/2)

PRINCE2® recommends the following actions:

- Review Checkpoint Reports for the period.
- Review the current Stage Plan forecast and actuals.
- Request a Product Status Account from Project Support to identify any variation between planned progress, reported progress and actual progress.
- Check for any quality issues shown in the Quality Register.
- Check the Risk Register for any new or revised risks and assess their impact on the Business Case, Stage Plan or the Project Plan.
- Check the Issue Register to see whether anything has happened within the project or externally that will impact on the Business Case, Stage Plan or the Project Plan.
- Check the status of any corrective actions.
- Assess the utilization of resources in the period under review and their availability for the remainder of the stage (or project). Check for any variation in the expected future resource availability.
- Check the Benefits Review Plan to see whether any benefits reviews are due and execute them as necessary.

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Controlling a Stage – Review stage status (2/2)

Section 15.4.4 - CS

Also look at Table 15.4 pg 175 for responsibilities and management products for this sub-process. Information from this slide can help answer question 18 in the Case Study.

Based on the above analysis, decide whether to:

- Authorize a Work Package.
- Report highlights.
- Capture and examine issues and risks.
- Escalate issues and risks if tolerances are threatened.
- Take corrective action.
- Seek Project Board advice.
- Log any lessons that have been identified.
- Revise the Risk Register and Issue Register as necessary.
- Update the Stage Plan if the aggregated assessment changes any forecasts.

If ownership of any of the products is to be transferred to the customer as part of a phased handover, ensure that the:

- Products have been approved by those specified in its Product Description
- Products meet all the quality criteria, or are covered by approved concessions
- Operation and maintenance organizations are ready to take responsibility for the products
- If the end of the current stage is approaching prepare for the next stage
- If the end of the final stage is approaching, prepare to close the project

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Controlling a Stage – Report Highlights (1/2)

- The Project Manager must provide the Project Board with summary information about the status of the stage and project via a Highlight Report.
- This should occur at a frequency documented in the Communication Management Strategy, as defined by the Project Board.

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Controlling a Stage – Report Highlights (1/2)

The Project Manager must provide the Project Board with summary information about the status of the stage and project and distribute other information to stakeholders at a frequency documented in the Communication Management Strategy, as defined by the Project Board.

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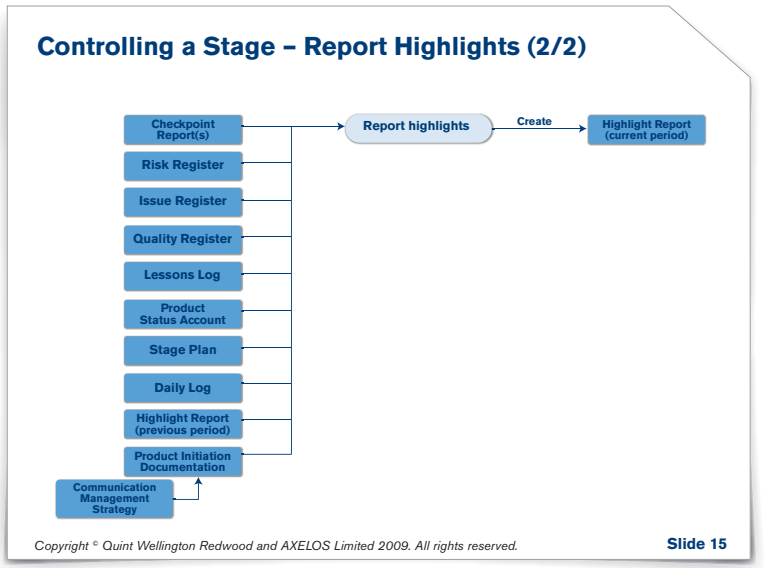
Instructor Notes

Controlling a Stage – Report Highlights (1/2)

Section 15.4.5 - CS

The Project Manager must provide the Project Board with summary information about the status of the stage and project via a Highlight Report.

This should occur at a frequency documented in the Communication Management Strategy as defined by the Project Board.



Controlling a Stage – Report Highlights (2/2)

PRINCE2® recommends the following actions:

- Assemble the information from the Checkpoint Reports, Risk Register, Issue Register, Quality Register, Lessons Log, Product Status Account and any significant revisions to the Stage Plan for the current reporting period.
- Assemble a list of corrective actions undertaken during the reporting period.
- Distribute the Highlight Report to the Project Board and any other recipients identified in the Communication Management Strategy.

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Instructor Notes

Controlling a Stage – Report Highlights (2/2)

Section 15.4.5 - CS

Also look at Table 15.5 pg 177 for responsibilities and management products for this sub-process.

Controlling a Stage – Capture and Examine Project Issues (1/2)

- In the course of managing the project, various issues will occur and risks may be identified.
- Issues or risks may be raised by anyone.
- Before making a decision on a course of action, each issue or risk should be registered and then assessed for its impact.

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Slide 16

Controlling a Stage – Capture and Examine Project Issues (1/2)

In the course of managing the project, various issues will occur and risks may be identified. They will arrive in an ad hoc manner and must be captured in a consistent and reliable way. Any member of the project, corporate or program management, or other stakeholders, may raise an issue or risk. Before making a decision on a course of action, each issue or risk should be registered and then assessed for its impact.

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Controlling a Stage – Capture and Examine Project Issues (1/2)

Section 15.4.6 - CS

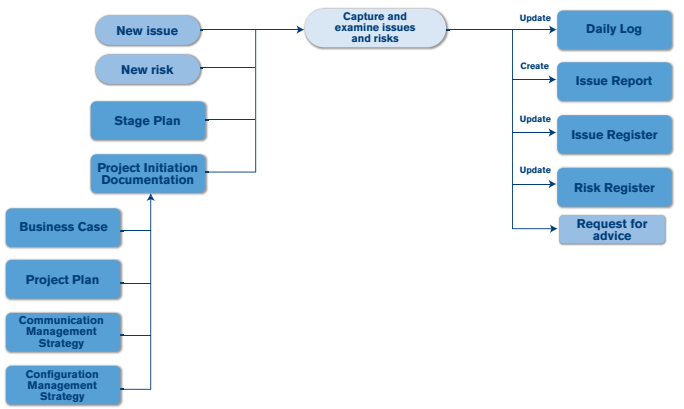
In the course of managing the project, various issues will occur and risks may be identified.

Remind delegates that any member of the project, corporate or program management, or other stakeholders may raise an issue or risk.

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

Also note that in the 2005 version capturing and examining project issues were treated as two separate sub-processes.

Controlling a Stage – Capture and Examine Project Issues (2/2)



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Slide 17

Controlling a Stage – Capture and Examine Project Issues (2/2)

PRINCE2® recommends the following actions:

- If an issue can be dealt with by the Project Manager informally, then this should be done, and a note made in the Daily Log.
- For issues that must be managed formally:
  - Check the requirements of the issue and change control procedure in the Configuration Management Strategy.
  - Enter the issue in the Issue Register as soon as it is captured.
  - Categorize the issue (Is it a request for change, an off-specification or a problem/ concern?).
  - Assess the severity of the issue.
  - Assess the priority of the issue (for requests for change and off-specifications).
  - Assess the impact of the issue on the Stage Plan, Project Plan and Business Case.
  - Document the issue by creating an Issue Report.
  - Report the status of the issue in accordance with the Configuration Management Strategy and check the Communication Management Strategy to see whether there are any external parties that must be informed of the issue.

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Controlling a Stage – Capture and Examine Project Issues (2/2)

Section 15.4.6 - CS

Also look at Table 15.6 pg 178 for responsibilities and management products for this sub-process.

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

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Controlling a Stage – Escalating Issues and Risks (1/2)

- A stage should not exceed the tolerances agreed upon with the Project Board.
- The Project Manager can only take corrective action or maintain the status quo as long as the stage (or project) is forecast to complete within the tolerances set by the Project Board.

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Slide 18

Controlling a Stage – Escalating Issues and Risks (1/2)

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

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

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

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Controlling a Stage – Escalating Issues and Risks (1/2)

Section 15.4.7 - CS

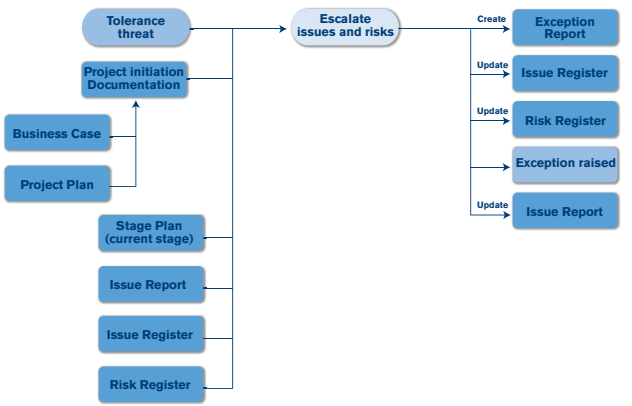
A stage should not exceed the tolerances agreed with the Project Board. The Project Manager can only take corrective action or maintain the status quo as long as the stage (or project) is forecast to complete within the tolerances set by the Project Board. This activity applies where any corrective action within

the Project Manager's control would not save the stage (or project) from going beyond the tolerances agreed. This applies to all types of issue and risks that cannot be resolved within the tolerances set by the Project Board.

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

Information from this slide can help answer question 21 in the Case Study.

Controlling a Stage – Escalating Issues and Risks (2/2)



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Slide 19

Controlling a Stage – Escalating Issues and Risks (2/2)

PRINCE2® recommends the following actions:

- Examine the Stage Plan to define the extent of the deviation and the unfinished products, and to extrapolate what would happen if the deviation were allowed to continue.
- Examine the Project Plan for the project status and overall effect of any deviation.
- Determine the options for recovery and assess them against the Business Case.
- Assess the impact of the options for recovery against the Stage Plan for the current stage.
- Submit the situation, options and the recommendation for a course of action to the Project Board in an Exception Report. The Project Board will then decide on an appropriate course of action. This may include:
  - Requesting more information or more time to consider their response
  - Approving, deferring or rejecting a request for change
  - Granting a concession for an off-specification, or deferring or rejecting it
  - Increasing the tolerances that are forecast to be breached
  - Instructing the Project Manager to produce an Exception Plan, stating what will be acceptable
  - Instructing the Project Manager to close the project prematurely

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Instructor Notes

Controlling a Stage – Escalating Issues and Risks (2/2)

Section 15.4.7 - CS

Also look at Table 15.7 pg 180 for responsibilities and management products for this sub-process. Information from this slide can help answer question 22 in the Case Study.

Controlling a Stage – Taking Corrective Action (1/2)

- The objective is to select and implement actions that will resolve deviations from the plan, within the limits of the stage and project tolerances.
- Corrective action is triggered during the review stage status activity and involves dealing with advice and guidance, received from the Project Board, and issues, raised by Team Managers.

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Controlling a Stage – Taking Corrective Action (1/2)

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

In taking corrective action, the objective is to select and, within the limits of the stage and project tolerances, implement actions that will resolve deviations from the plan. Corrective action is triggered during the review stage status activity.

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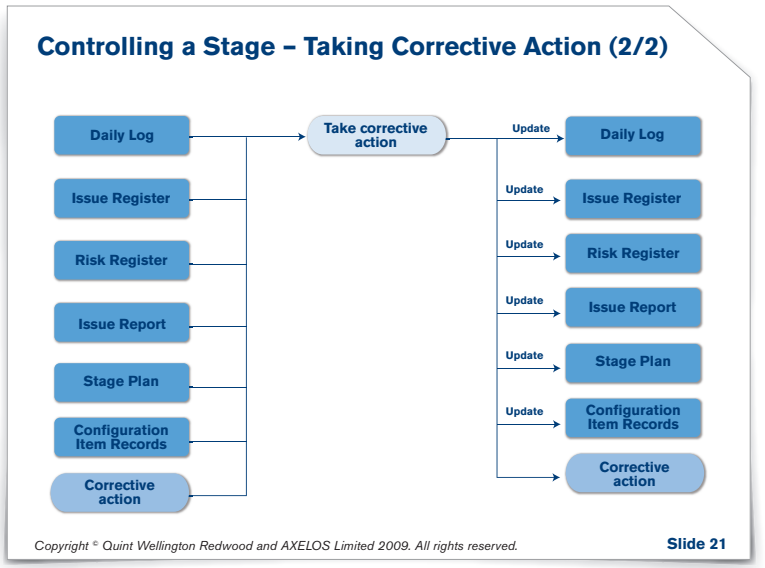
Controlling a Stage – Taking Corrective Action (1/2)

Section 15.4.8 - CS

In taking corrective action, the objective is to select and, within the limits of the stage and project tolerances, implement actions that will resolve deviations from the plan. Corrective action is triggered during the review stage status activity.



Controlling a Stage – Taking Corrective Action (2/2)

PRINCE2® recommends the following actions:

- Collect any relevant information about the deviation (from the Configuration Item Records, Issue Register, Risk Register, Issue Report, Exception Report, Project Board advice, Daily Log).
- Identify the potential ways of dealing with the deviation and select the most appropriate option.
- Trigger corrective action via authorize a Work Package.
- Update the Configuration Item Records of the affected products.
- Update the Issue Register with any changes resulting from the corrective action.
- Update the Risk Register with any changes resulting from the corrective action.
- Update the Stage Plan for the current stage.

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Controlling a Stage – Taking Corrective Action (2/2)

Section 15.4.8 - CS

Also look at Table 15.8 pg 182 for responsibilities and management products for this sub-process.

Managing Product Delivery – Purpose

- Purpose
  - To control the link between the Project Manager and the Team Manager, by placing formal requirements on accepting, executing and delivering project work
  - The role of the Team Manager is to coordinate an area of work that will deliver one or more of the project's products.

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Slide 22

Managing Product Delivery – Purpose

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

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

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Instructor Notes

Managing Product Delivery – Purpose

Section 16.1 - MP

Managing Product Delivery and Controlling a Stage processes are combined in this course as the link between them is clear.

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

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

Managing Product Delivery – Objective

- Objective:
  - Work on products allocated to the team is authorized and agreed upon.
  - The planned products are delivered to expectations and within tolerance.
  - Accurate progress information is provided to the Project Manager at an agreed upon frequency to ensure that expectations are managed.

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Managing Product Delivery – Objective

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

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

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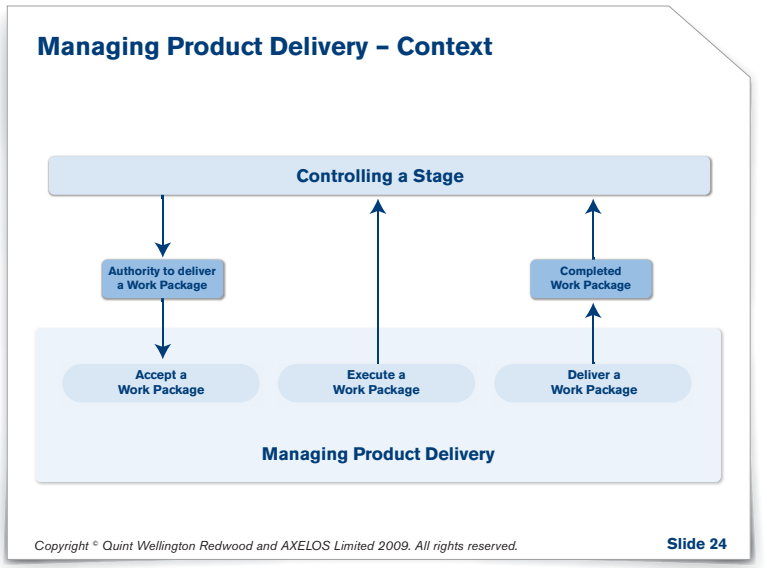
Managing Product Delivery – Objective

Section 16.2 - MP

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

- Work on products allocated to the team is authorized and agreed
- The planned products are delivered to expectations and within tolerance
- Accurate progress information is provided to the Project Manager at an agreed frequency



Managing Product Delivery – Context

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

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

- Accepting and checking authorized Work Packages from the Project Manager
- Creating a Team Plan for the Work Packages being assigned
- Demonstrating that each product meets its quality criteria through the quality methods specified in the Product Description; this may include using the PRINCE2® quality review technique
- Obtaining approval for completed products from the authorities identified in the Product Description
- Delivering the products to the Project Manager in accordance with any procedures specified in the Work Package.

If the project uses external suppliers that are not using PRINCE2®, the Work Package may be part of a contractual agreement.

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Managing Product Delivery – Context

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

If the project uses external suppliers that are not using PRINCE2®, the Work Package may be part of a contractual agreement.

Information from this slide can help answer question 24 in the Case Study.

Managing Product Delivery – Accept a Work Package (1/2)

- There should be agreement between the Project Manager and the Team Manager as to:
  - What is to be delivered
  - The reporting requirements
  - What constraints apply
  - Whether the requirements of the Work Package are reasonable and can be achieved

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Managing Product Delivery – Accept a Work Package (1/2)

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

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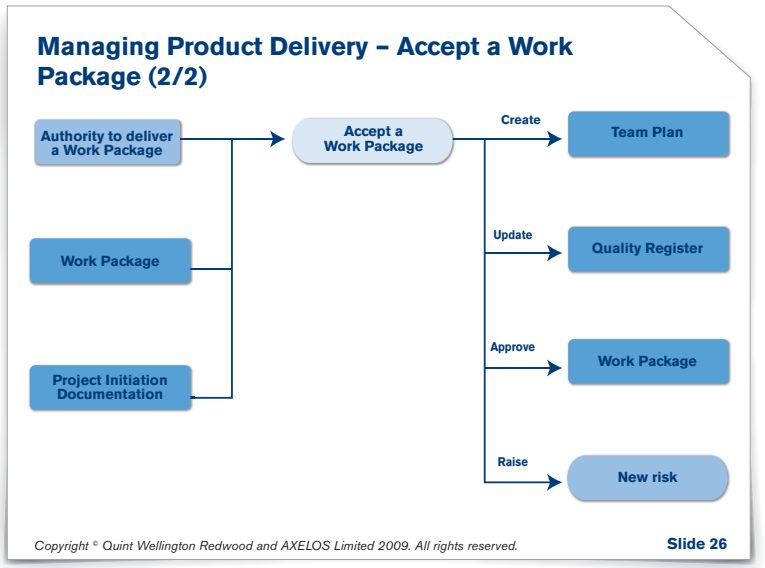
Managing Product Delivery – Accept a Work Package (1/2)

Section 16.4.1 - MP

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

This understanding is crucial to siccessful delivery of the product.



Managing Product Delivery – Accept a Work Package (2/2)

PRINCE2® recommends the following actions:

- Review the Work Package:
  - Clarify with the Project Manager what is to be delivered.
  - Agree upon tolerances for the Work Package.
  - Understand the reporting requirements.
  - Understand how, and from whom, approval for the products is to be obtained.
  - Understand how the approved products is to be formally handed over.
  - Confirm how the Project Manager is to be informed of completion of the Work Package.
- Produce the Team Plan to show that the products can be completed within the given constraints.
- Undertake a review of the risks against the Team Plan, and advise the Project Manager of any additional or modified risk.
- Consult with Project Assurance whether any extra reviewers are required and ensure that the Quality Register is updated accordingly.
- Agree to deliver the Work Package.

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Instructor Notes

Managing Product Delivery – Accept a Work Package (2/2)

Section 16.4.1 - MP

Also look at Table 16.1 pg 186 for responsibilities and management products for this sub-process.

Managing Product Delivery – Execute a Work Package (1/2)

- The work must be executed and monitored to the requirements defined in the authorized Work Package.
- While developing the products, the Work Package should not exceed the tolerances agreed upon with the Project Manager.
  - As soon as Work Package tolerances are forecast to be exceeded, the Team Manager should raise an issue to the Project Manager who will decide upon a course of action.

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Managing Product Delivery – Execute a Work Package (1/2)

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

While developing the products, the Work Package should not exceed the tolerances agreed upon with the Project Manager. The Team Manager can only proceed with the Work Package, or take corrective action, while the Work Package is forecast to complete within the tolerances set by the Project Manager. As soon as Work Package tolerances are forecast to be exceeded, the Team Manager should raise an issue to the Project Manager who will decide upon a course of action.

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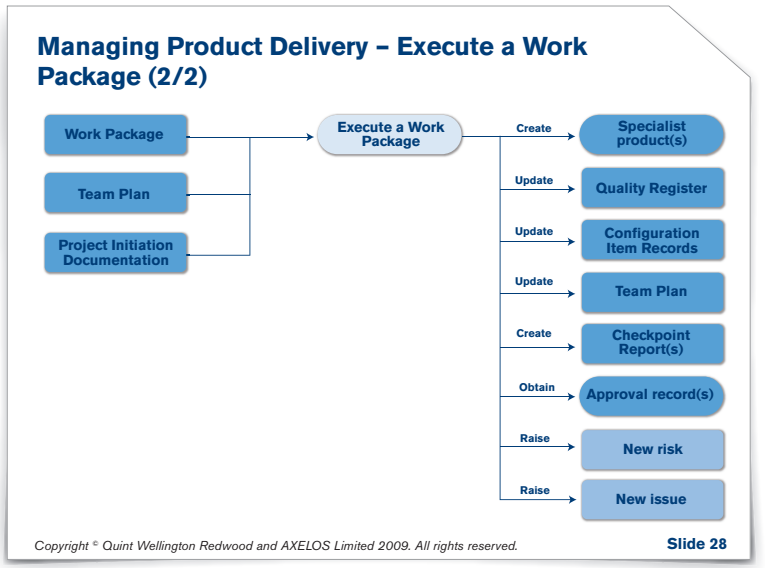
Managing Product Delivery – Execute a Work Package (1/2)

Section 16.4.2 - MP

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

Remind delegates that while developing the products, the Work Package should not exceed the tolerances agreed with the Project Manager. The Team Manager can only proceed with the Work Package, or take corrective action, while the Work Package is forecast to complete within the tolerances set by the Project Manager. As soon as Work Package tolerances are forecast to be exceeded, the Team Manager should raise an issue to the Project Manager who will decide upon a course of action.

This last point has changed from the 2005 version where a Work Package tolerance being exceeded meant raising an exception. The 2009 version raises an issue.



Managing Product Delivery – Execute a Work Package (2/2)

PRINCE2® recommends the following actions:

- Manage the development of the required products:
  - Develop the products required by the Work Package, and to the quality criteria defined in the Product Descriptions.
  - Update the Quality Register when required.
- Notify the Project Manager of any new issues, risks or lessons. The Project Manager will then decide on an appropriate course of action.
- Obtain approvals for completed products.
- Review and report the status of the Work Package to the Project Manager.

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Managing Product Delivery – Execute a Work Package (2/2)

Section 16.4.2 - MP

Also look at Table 16.2 pg 188 for responsibilities and management products for this sub-process.

Managing Product Delivery – Deliver a Work Package (1/2)

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

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Managing Product Delivery – Deliver a Work Package (1/2)

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

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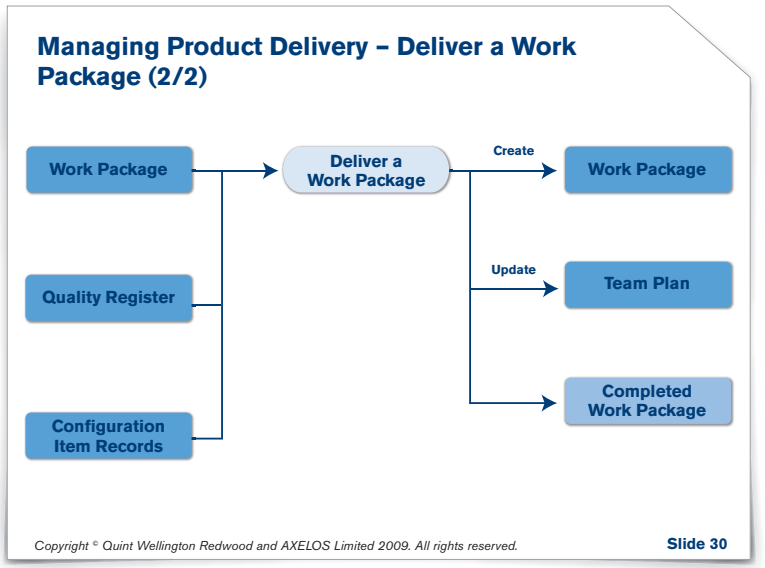
Instructor Notes

Managing Product Delivery – Deliver a Work Package (1/2)

Section 16.4.3 - MP

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



Managing Product Delivery – Deliver a Work Package (2/2)

PRINCE2® recommends the following actions:

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

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Managing Product Delivery – Deliver a Work Package (2/2)

Section 16.4.3 - MP

Also look at Table 16.3 pg 189 for responsibilities and management products for this sub-process.

Controlling a Stage and Managing Product Delivery – Scalability

- Written/Oral Reports
  - Work Packages
  - Highlight Reports
  - Exception Reports
- Project Manager/Team Manager

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Controlling a Stage and Managing Product Delivery – Scalability

Regardless of the size or complexity of a project the core activities of the process remain the same. It involves allocating work, checking progress and tolerance, controlling project issues, monitoring risk, ensuring quality and managing resource usage. Small projects must perform these activities, as will large projects.

In terms of management products work packages, highlight reports and exception reports will be required. A decision must be made as to the level of formality of these products. They could be oral reports but even on small projects having them written and documented allows for continuity if the Project Manager is suddenly unavailable.

Some projects may have no separate team manager and only one team whose members are directly responsible to the Project Manager. In this case, the Project Manager and the team manager will be one and the same person and work packages will be negotiated between Project Manager and individual team members.

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Managing Stage Boundaries (Process)

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Managing Stage Boundaries (Process)

Timing: This SB section should take 45 mins including Case Study exercises.

Managing a Stage Boundary – Purpose

- To enable the Project Board to be provided with sufficient information by the Project Manager so that it can:
  - Review the success of the current stage.
  - Approve the next Stage Plan.
  - Review the updated Project Plan.
  - Confirm continued business justification and acceptability of the risks.

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Managing a Stage Boundary – Purpose

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

Projects do not always go to plan and in response to an Exception Report the Project Board may request that the current stage (and possibly the project) is replanned. The output from replanning is an Exception Plan that is submitted for Project Board approval in the same way a Stage Plan is submitted for approval.

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Instructor Notes

Managing a Stage Boundary – Purpose

Section 17.1 - SB

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

Also remind delegates that not all projects always go to plan and in response to an Exception Report the Project Board may request that the current stage (and possibly the project) is replanned. The output from replanning is an Exception Plan which is submitted for Project Board approval in the same way a Stage Plan is submitted for approval.

Managing a Stage Boundary – Objectives

- Assure the Project Board that all products in the Stage Plan for the current stage have been completed and approved.
- Prepare the Stage Plan for the next stage.
- Review and, if necessary, update the Project Initiation Documentation.
- Request authorization to start the next stage.
- Prepare an Exception Plan as directed by the Project Board.

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Managing a Stage Boundary – Objectives

The objectives of the Managing a Stage Boundary process are to:

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

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

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

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Managing a Stage Boundary – Objective

Section 17.2 - SB

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

- Assure the Project Board that all products in the Stage Plan for the current stage have been completed and approved
- Prepare the Stage Plan for the next stage
- Review and, if necessary, update the Project Initiation Documentation

For exceptions, the objective of the Managing a Stage Boundary process is to:

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

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

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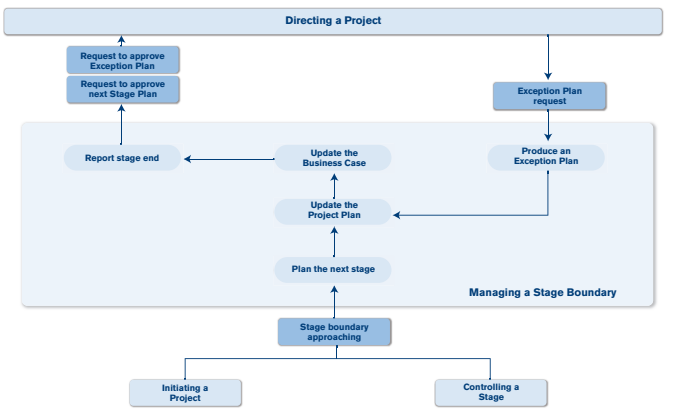
Managing a Stage Boundary – Context



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Slide 35

Managing a Stage Boundary – Context

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

It is also important to recognize that projects may go wrong or may be affected by external factors that invalidate the business justification.

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

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Managing a Stage Boundary – Context

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

Remind delegates that it is better to stop a project that will not realise the business benefit even if 90% of the resources have been committed. This is because it is better to spend 90% and stop than to spend 100% with no benefit!

Managing a Stage Boundary – Activities

- Managing a Stage Boundary activities are Project Manager-oriented and comprise:
  - Plan the next stage.
  - Update the Project Plan.
  - Update the Business Case.
  - Report stage end.
  - Produce an Exception Plan.

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Managing a Stage Boundary – Activities

Managing a Stage Boundary activities are Project Manager-oriented and comprise:

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

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Managing a Stage Boundary – Activities

Section 17.4 - SB

Information from this slide can help answer question 20 in the Case Study.

Managing a Stage Boundary – Plan the Next Stage (1/2)

- The Stage Plan for the next management stage is produced near the end of the current stage.
- Closure activities should be planned as part of the Stage Plan for the final stage.
- Planning is not an activity undertaken in isolation.

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Managing a Stage Boundary – Plan the Next Stage (1/2)

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

The Project Manager should consult with the Project Board, Project Assurance, Team Managers and possibly other stakeholders in order to create a viable plan.

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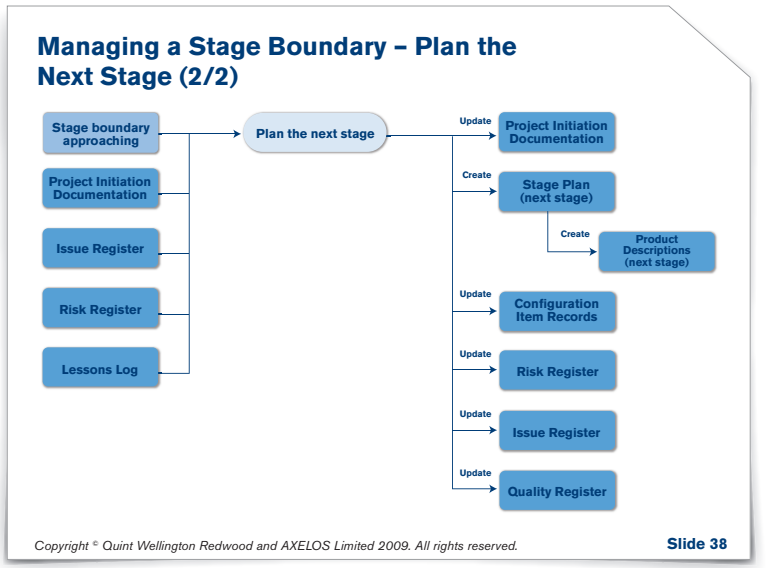
Managing a Stage Boundary – Plan the Next Stage (1/2)

Section 17.4.1 - SB

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



Managing a Stage Boundary – Plan the Next Stage (2/2)

PRINCE2® recommends the following actions:

- Review components of the Project Initiation Documentation such as any change to the customer's quality expectations, acceptance criteria or project approach.
- Produce the Stage Plan for the next stage:
  - Review the Project Plan to understand the products required for the next stage.
  - Create (or update) the product breakdown structure, Product Descriptions and product flow diagram for the products to be delivered by the next stage.
  - Review the Issue Register and Risk Register as it may contain issues or risks marked for assessment at the stage end or information that affects the next stage.
- Update the Quality Register for planned quality management activities. This should include target review and approval dates for the products.

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Instructor Notes

Managing a Stage Boundary – Plan the Next Stage (2/2)

Section 17.4.1 - SB

Also look at Table 17.1 pg 195 for responsibilities and management products for this sub-process.

Managing a Stage Boundary – Update the Project Plan (1/2)

- The Project Board uses the Project Plan throughout the project to measure progress.
- The Project Plan is updated to incorporate actual progress from the stage that is finishing.
- Details of any revised costs or end dates are used when updating the Business Case.

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Managing a Stage Boundary – Update the Project Plan (1/2)

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

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

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

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Instructor Notes

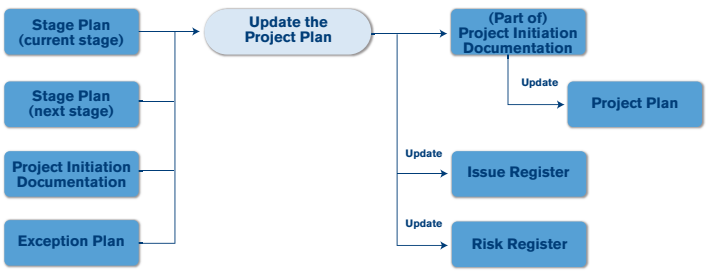
Managing a Stage Boundary – Update the Project Plan (1/2)

Section 17.4.2 - SB

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

Details of any revised costs or end dates are used when updating the Business Case which is done after this sub-process.

Managing a Stage Boundary – Update the Project Plan (2/2)



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Managing a Stage Boundary – Update the Project Plan (2/2)

PRINCE2® recommends the following actions:

- Revise the Project Plan to reflect:
  - Actuals from the current Stage Plan
  - Forecasts from the next Stage Plan, or the impact of the Exception Plan
  - Any changes to the Project Product Description
  - The implications of any issues or risks
  - Any changes within the Project Initiation Documentation

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Instructor Notes

Managing a Stage Boundary – Update the Project Plan (2/2)

Section 17.4.2 - SB

Also look at Table 17.2 pg 197 for responsibilities and management products for this sub-process.

Managing a Stage Boundary – Update the Business Case (1/2)

- It is a PRINCE2® principle that projects have continued business justification
- The Project Board is only authorized to continue while the project remains viable
- The Business Case must reflect any possible changes and must be reviewed and amended to keep it relevant to the project

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Managing a Stage Boundary – Update the Business Case (1/2)

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

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

The Business Case must reflect any changes and must be reviewed and amended to keep it relevant to the project.

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

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Managing a Stage Boundary – Update the Business Case (1/2)

Section 17.4.3 - SB

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

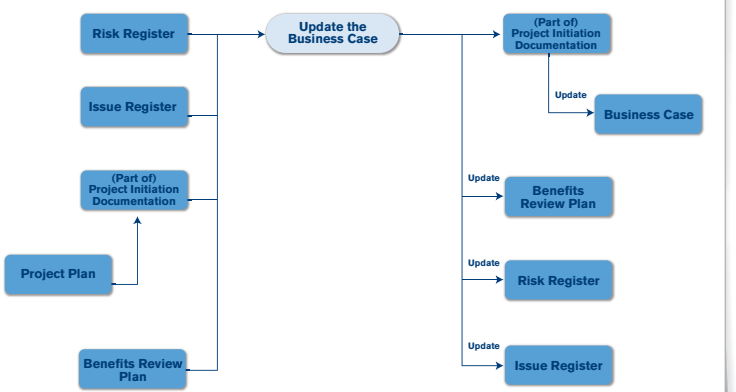
The Project Board is only authorized to continue while the project remains viable.

The Business Case needs to reflect any changes and must be reviewed and amended to keep it relevant to the project.

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

If necessary review the Business Case theme from Day 1 for delegates to reinforce the context.))

Managing a Stage Boundary – Update the Business Case (2/2)



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Managing a Stage Boundary – Update the Business Case (2/2)

PRINCE2® recommends the following actions:

- Check whether there have been any changes to the risk appetite and risk capacity of the organizations involved and whether risk tolerances must be redefined.
- Examine and review:
  - The Benefits Review Plan for the results of any benefits reviews undertaken during the stage compared with the expected results
  - The impact of approved changes as these may affect the projected benefits
  - The aggregated risk profile and key risks
  - The Issue Register for any issues that may affect the Business Case
  - The Project Plan to see if the final implementation date of the project has changed, for better or worse, which might affect some or all of the projected benefits
  - The Project Plan to see if the cost of delivering the project's products has changed, which may affect the cost/benefit analysis
- Revise the Business Case and (if necessary) Benefits Review Plan to make ready for Project Board approval.

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Instructor Notes

Managing a Stage Boundary – Update the Business Case (2/2)

Section 17.4.3 - SB

Also look at Table 17.3 pg 198 for responsibilities and management products for this sub-process.

Managing a Stage Boundary – Report Stage End (1/2)

- The results of a stage should be reported to the Project Board so that progress is clearly visible to the project management team.
- The Project Manager provides a view on the continuing ability of the project to meet the Project Plan and Business Case, and assesses the overall risk situation.

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Managing a Stage Boundary – Report Stage End (1/2)

The results of a stage should be reported to the Project Board so that progress is clearly visible to the project management team. The Project Manager provides a view on the continuing ability of the project to meet the Project Plan and Business Case, and assesses the overall risk situation.

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

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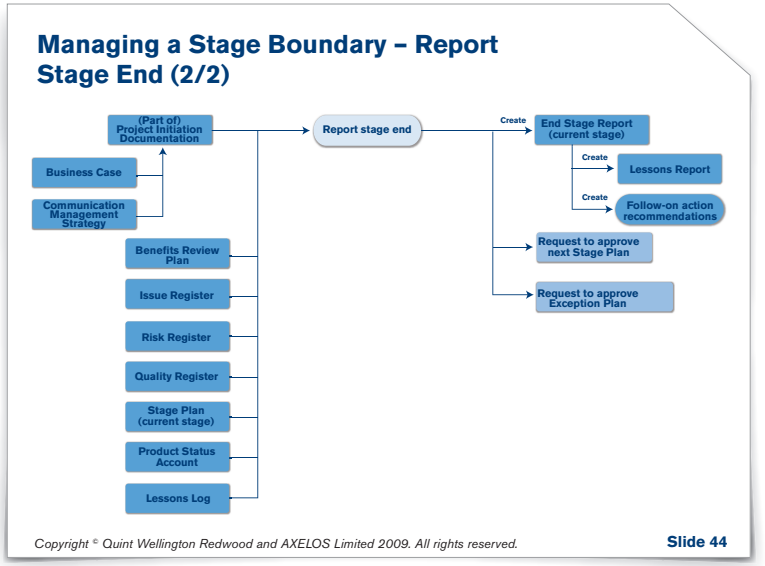
Managing a Stage Boundary – Report Stage End (1/2)

Section 17.4.4 - SB

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

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

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



Managing a Stage Boundary – Report Stage End (2/2)

PRINCE2® recommends the following actions:

- For an Exception Plan:
  - Depending on the point within the stage when the exception occurred, it may be appropriate to produce an End Stage Report for the activities to date.
- For a Stage Plan:
  - Review the status of the updated Business Case and, in particular, the achievement of any benefits anticipated for the stage. Confirm that any activities in the Benefits Review Plan for the current stage have been completed.
  - Review the Stage Plan to ensure that the objectives of the stage have been met, and review the Project Plan to ensure that the project objectives are still achievable.
  - Review the product performance for the stage by reference to the Product Status Account (provided by Project Support):
  - Review the quality management activities for the stage and their results.
  - Ensure that all the products identified within the Stage Plan for the current stage are complete and approved, or have been carried forward into the next stage.
  - Prepare an End Stage Report for the current stage.

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Managing a Stage Boundary – Report Stage End

Section 17.4.4 - SB

Also look at Table 17.4 pg 200 for responsibilities and management products for this sub-process.

- Check the Lessons Log for appropriate lessons to report.
- Seek approval from the Project Board of the Exception Plan or Stage Plan (and, if appropriate, the revised Project Plan, the revised Benefits Review Plan and the revised Business Case).

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Managing a Stage Boundary – Produce an Exception Plan (1/2)

- If a stage or the project is forecast to deviate beyond its agreed upon tolerances, it no longer has the approval of the Project Board.
- Exception Plans are requested by the Project Board in response to an Exception Report.
- Although an Exception Plan will be produced prior to the planned stage boundary, its approval by the Project Board marks a stage boundary for the revised stage.

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Managing a Stage Boundary – Produce an Exception Plan (1/2)

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

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

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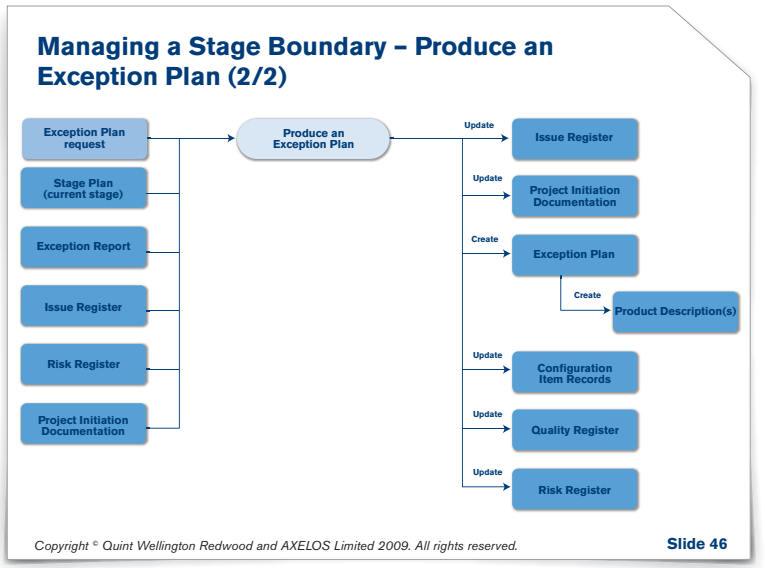
Managing a Stage Boundary – Produce an Exception Plan (1/2)

Section 17.4.5 - SB

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

Exception Plans are requested by the Project Board in response to an Exception Report.



Managing a Stage Boundary – Produce an Exception Plan (2/2)

PRINCE2® recommends the following actions:

- Update the Issue Register (and if necessary the Issue Report) to record the Project Board's request for an Exception Plan.
- Review and, if needed, update the Project Initiation Documentation.
- Produce the Exception Plan:
  - Examine the Stage Plan to define the products required for the stage.
  - Examine the Exception Report for details such as recommended actions that will contribute to the Exception Plan.
  - Update the product breakdown structure, Product Descriptions and product flow diagram for the products to be delivered by the Exception Plan.
- Update the Quality Register for planned quality management activities. This should include target review and approval dates for the products.

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Instructor Notes

Managing a Stage Boundary – Produce an Exception Plan (2/2)

Section 17.4.5 - SB

Also look at Table 17.5 pg 202 for responsibilities and management products for this sub-process.

Managing Stage Boundaries – Scalability

- Gather results of current stage and plan the next stage.
- Project Board approval for next stage may be formal or informal as required.

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Managing Stage Boundaries – Scalability

The principle behind managing stage boundaries is to gather the results of the current stage and plan the next stage. Of course various elements must be considered, the main one being the continued viability of the Business Case. As long as this is the case, the Project Board can informally approve the next stage.

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Quality (Theme)

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Quality (Theme)

Timing: This Quality section should take 75 mins including Case Study exercises.

The Quality theme in the 2009 version incorporates the Quality component and the Quality Review technique from the 2005 version.

Quality – Purpose

- Purpose
  - To define and implement the means by which the project will create and verify products that are fit for purpose
- The "focus on products" principle is central to PRINCE2®'s approach to quality.
  - It provides an explicit common understanding of what the project will create (the scope) and the criteria against which the project's products will be assessed (the quality).

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Quality – Purpose

The purpose of the Quality theme is to define and implement the means by which the project will create and verify products that are fit for purpose.

The Quality theme defines the PRINCE2® approach to ensuring that the project's products:

- Meet business expectations
- Enable the desired benefits to be subsequently achieved

The "focus on products" principle is central to PRINCE2®'s approach to quality. It provides an explicit common understanding of what the project will create (the scope) and the criteria against which the project's products will be assessed (the quality).

The Quality theme addresses the quality methods and responsibilities not only for the specification, development and approval of the project's products, but also for the management of the project.

The Quality theme also covers the implementation of continuous improvement during the project– for example, seeking ways to introduce more efficiency or effectiveness into the management of the project and the project's products. Capturing and acting on lessons contributes to the PRINCE2® quality approach, as it is a means of achieving continuous improvement.

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Quality - Purpose

Section 6.1 - Quality

The purpose of the Quality theme is to define and implement the means by which the project will create and verify products that are fit for purpose.

The 'focus on products' principle is central to PRINCE2®'s approach to quality. It provides an explicit common understanding of what the project will create (the scope) and the criteria against which the project's products will be assessed (the quality).

The Quality theme addresses the quality methods and responsibilities not only for the specification, development and approval of the project's products, but also for the management of the project.

The Quality theme also covers the implementation of continuous improvement during the project – for example, looking for ways to introduce more efficiency or effectiveness into the management of the project and the project's products. Capturing and acting on lessons contributes to the PRINCE2® quality approach, as it is a means of achieving continuous improvement.

Quality – Definitions

- Quality
  - Quality is generally defined as the totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bear on its ability to demonstrate that it meets expectations or satisfies stated needs, requirements or specification.
- Quality Management System
- Quality Planning
- Quality Control
- Quality Assurance

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Quality – Definitions

Quality

Quality is generally defined as the totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bear on its ability to demonstrate that it meets expectations or satisfies stated needs, requirements or specification.

Quality management and quality management systems

Quality management is defined as the coordinated activities to direct and control an organization with regard to quality. A quality management system is the complete set of quality standards, procedures and responsibilities for a site or organization.

Within a project if there are separate customer and supplier businesses, then each may have its own quality management system.

Quality planning

Quality planning is about defining the products required of the project, with their respective quality criteria, quality methods and the quality responsibilities of those involved.

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Quality – Definitions

Sections 6.21 to 6.2.6

Use the definitions in the student notes as an introduction to the quality concepts which will be covered in the upcoming slides.

Quality control

Quality control focuses on the operational techniques and activities used by those involved in the project to:

- Fulfill the requirements for quality (for example by quality inspections or testing).
- Identify ways of eliminating causes of unsatisfactory performance (for example, by introducing process improvements as a result of lessons learned).

Quality assurance

It is a good practice to arrange for quality assurance independent of the project management team. Quality assurance provides a check that the project's direction and management are adequate for the nature of the project and that it complies with relevant corporate or program management standards and policies. Quality assurance activities are outside the scope of PRINCE2® as it is the responsibility of the corporate or program organization.

Quality assurance

should not be confused with Project Assurance. Project Assurance refers specifically to the Project Board's accountability for assuring that the project is conducted properly in all respects. This is, therefore, a responsibility within the project organization.

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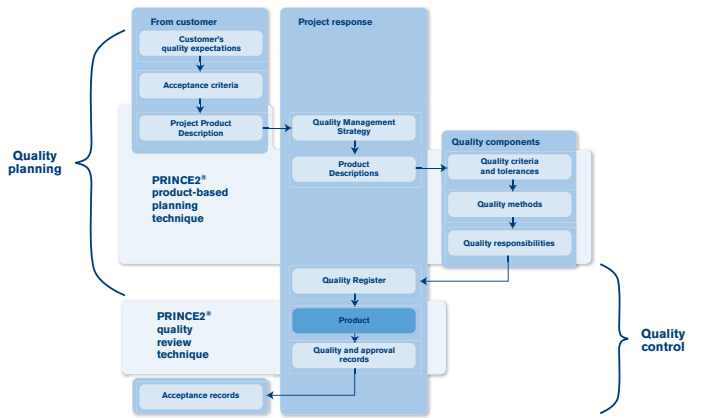
Quality – Approach to Quality



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Quality – Approach to Quality

The specific treatment for quality in PRINCE2® is the focus on products from the outset, requiring systematic activities to:

- Identify all the project's products (i.e., to the level at which the project intends to exert control).
- Define them in Product Descriptions–including the quality criteria by which they will be assessed; the quality methods to be used in designing, developing and accepting them; and the quality responsibilities of those involved.
- Implement and track the quality methods employed throughout the project.

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Quality – Approach to Quality

Section 6.3 - Quality

This quality audit trail is very important for delegates to understand. Go through this diagram in detail with the delegates.

The detail of some of the steps is discussed in the following slides.

Quality – Quality Planning (1/2)

- The purpose of quality planning is to provide for:
  - **Project Board agreement** on the overall quality expectations
  - The products required with their associated quality criteria
  - The means by which quality will be achieved and assessed
  - The acceptance criteria by which the project's product will be judged

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Quality – Quality Planning (1/2)

The purpose of quality planning is to provide a secure basis for:

- **Project Board agreement** on the overall quality expectations, the products required with their associated quality criteria, the means by which quality will be achieved and assessed and, ultimately, the acceptance criteria by which the project's product will be judged
- **Communicating** these agreements unambiguously so that all the project stakeholders have a common understanding of what the project is setting out to achieve
- **Control**, that is, establishing an effective baseline for the project's quality controls (including the quality tolerances) and a secure means of achieving products that are fit for purpose

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Quality – Quality Planning (1/2)

Section 6.3.1 - Quality

The purpose of quality planning is to provide for:

- Project Board agreement on the overall quality expectations
- the products required with their associated quality criteria
- the means by which quality will be achieved and assessed
- the acceptance criteria by which the project's product will be judged

Quality – Quality Planning (2/2)

- Quality planning comprises:
  - Understanding the customer's quality expectations
  - Defining the project's acceptance criteria
  - Documenting the customer's quality expectations and the project's acceptance criteria in the Project Product Description
  - Formulating a Quality Management Strategy
  - Writing clear Product Descriptions containing quality criteria, quality tolerances, quality method and quality responsibilities
  - Setting up the Quality Register

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Quality – Quality Planning (2/2)

Quality planning comprises:

- Understanding the customer's quality expectations
- Defining the project's acceptance criteria
- Documenting the customer's quality expectations and the project's acceptance criteria in the Project Product Description
- Formulating a Quality Management Strategy
- Writing clear Product Descriptions containing quality criteria, quality tolerances, quality method and quality responsibilities
- Setting up the Quality Register

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Quality – Quality Planning (2/2)

Section 6.3.1 - Quality

Make sure delegates understand these important elements of Quality planning:

- Understanding the customer's quality expectations
- Defining the project's acceptance criteria
- Documenting the customer's quality expectations and the project's acceptance criteria in
  the Project Product Description
- Formulating a Quality Management Strategy
- Writing clear Product Descriptions containing quality criteria, quality tolerances, quality method and quality responsibilities
- Setting up the Quality Register

Quality – CQE/AC

- The customer's quality expectation
  - Is the quality expected from the project product and is captured in the Project Product Description
- Acceptance criteria
  - The project's acceptance criteria form a list of measurable definitions of the attributes that must apply to the set of products to be acceptable to key stakeholders.
  - The acceptance criteria will be refined, agreed upon and reviewed at the end of each management stage.

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Quality – CQE/AC

The customer's quality expectation

The customer's quality expectation is a statement about the quality expected from the project product. The customer's quality expectations are defined and agreed upon early in the Starting Up a Project process. The expectations are captured in discussions with the customer and then refined for inclusion in the Project Product Description.

Acceptance criteria

The project's acceptance criteria form a prioritized list of measurable definitions of the attributes that must apply to the set of products to be acceptable to key stakeholders.

The acceptance criteria should be agreed upon by the customer and supplier during the Starting Up a Project process and documented as part of the Project Product Description. It is important to recognize that little may be understood about the project's products at this early point. Consequently, it is often the case that, acceptance criteria will be refined and agreed upon during the Initiating a Project process and reviewed at the end of each management stage. Once finalized in the Project Product Description, acceptance criteria are subject to change control and can only be changed with the approval of the Project Board.

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Instructor Notes

Quality – CQE/AC

Section 6.3.1.1 and 6.3.1.2 - Quality

Make sure delegates understand the difference between CQE and AC...this is highlighted below.

Customer's quality expectation

The customer's quality expectation is a statement about the quality expected from the project product. The customer's quality expectations are defined and agreed early in the Starting up a Project process. The expectations are captured in discussions with the customer and then refined for inclusion in the Project Product Description.

Acceptance criteria

The project's acceptance criteria form a prioritized list of measurable definitions of the attributes that must apply to the set of products to be acceptable to key stakeholders.

The acceptance criteria should be agreed between the customer and supplier during the Starting up a Project process and documented as part of the Project Product Description. It is important to recognize that little may be understood about the project's products at this early point. Consequently, it is often the case that, acceptance criteria will be refined and agreed during the Initiating a Project process and reviewed at the end of each management stage. Once finalized in the Project Product Description, acceptance criteria are subject to change control and can only be changed with the approval of the Project Board.

Information from this slide can help answer question 26 in the Case Study.

Quality – Project Product Description

- The approved Project Product Description is included as a component of the Project Brief and is used to help select the project approach.
- The Project Product Description includes:
  - The overall purpose of the product
  - Its composition (i.e., the set of products it needs to comprise)
  - The customer's quality expectations
  - Acceptance criteria, method and responsibilities
  - Project level quality tolerances

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Quality – Project Product Description

The Project Product Description is created in the Starting Up a Project process as part of the initial scoping activity and may be refined during the Initiating a Project process when creating the Project Plan. It is used by the Closing a Project process as part of the verification that the project has delivered what was expected of it and that the acceptance criteria have been met.

The Project Product Description includes:

- The overall purpose of the product
- Its composition (i.e., the set of products it needs to comprise)
- The customer's quality expectations
- Acceptance criteria, method and responsibilities
- Project level quality tolerances

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Quality – Project Product Description

Section 6.3.1.3 - Quality

The Project Product Description is new to the 2009 version. It is created in the Starting up a Project process as part of the initial scoping activity and may be refined during the Initiating a Project process when creating the Project Plan. It is used by the Closing a Project process as part of the verification that the project has delivered what was expected of it and that the acceptance criteria have been met.

Quality – Quality Management Strategy

- The Quality Management Strategy
  - Is prepared during the Initiating a Project process
  - Describes how the quality management systems of the participating organizations will be applied to the project
  - Confirms any quality standards, procedures, techniques and tools that will be used
  - Outline the arrangements for Quality Assurance.
  - Key responsibilities for quality should be defined.

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Quality – Quality Management Strategy

The Quality Management Strategy is prepared during the Initiating a Project process and subsequently approved by the Project Board.

The Quality Management Strategy describes how the quality management systems of the participating organizations will be applied to the project and confirms any quality standards, procedures, techniques and tools that will be used.

It should outline the arrangements for Quality Assurance, including independent audits where these are required by the policies of the participating organizations.

Key responsibilities for quality should be defined (both within and outside the project organization), including a summary of the approach to Project Assurance.

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Quality – Quality Management Strategy

Section 6.3.1.4 - Quality

The Quality Management Strategy is prepared during the Initiating a Project process and approved subsequently by the Project Board.

The Quality Management Strategy describes how the quality management systems of the participating organizations will be applied to the project and confirms any quality standards, procedures, techniques and tools that will be used.

It should outline the arrangements for Quality Assurance, including independent audits where these are required by the policies of the participating organizations.

Quality – Product Descriptions (1/2)

- Product Descriptions must be created for all of the project's products as they govern the development of the products and their subsequent review and approval.
- Care should be taken in relation to the level of detail of Product Descriptions
  - Too much detail can lead to an unnecessary increase in the cost of quality for the project.
  - Incomplete or inaccurate Product Descriptions can lead to acceptance disputes if the delivered results do not match the customer's expectations.

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Quality – Product Descriptions (1/2)

Product Descriptions must be created for all of the project's products. Product Descriptions are not optional. They govern the development of the products and their subsequent review and approval.

Care should be taken to write Product Descriptions at the right level of detail. Product Descriptions in too much detail can lead to an unnecessary increase in the cost of quality for the project. Incomplete or inaccurate Product Descriptions can lead to acceptance disputes if the delivered results do not match the customer's expectations.

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Quality – Product Descriptions (1/2)

Section 6.3.1.5 - Quality

Having excellent product descriptions is one of the most crucial success factors for any PRINCE2® project. Make sure delegates understand the importance of this management product.

Product Descriptions should be created for all of the project's products. Product Descriptions are not optional. They govern the development of the products and their subsequent review and approval.

Quality – Product Descriptions (2/2)

- Product Descriptions include:
  - Quality criteria
  - Quality tolerances
  - Quality methods
  - Quality responsibilities
  - Producer, Reviewer, Approver

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Quality – Product Descriptions (2/2)

The content of a Product Description specific to quality are: quality criteria, quality tolerances, quality methods, quality skills required and quality responsibilities. These define the quality controls that must be applied during product development and in the review and approval procedures for the completed product.

Quality criteria

The Product Description should include the quality specifications that the product must meet, and the quality measurements that will be applied by those inspecting the finished product.

Quality tolerances

Quality tolerances for a product can be specified in quality criteria by defining an acceptable range of values, for example: "Is the duration of the presentation 30 minutes (plus or minus 5 minutes)?," "Is temperature maintained in the range of 35 to 40°C?"

Quality methods

The quality methods section of the Product Description is used to specify the quality activities to be implemented during the development of a product, and for review and approval on completion.

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Quality – Product Descriptions (2/2)

One of the most important elements of Product Description is the quality aspect. Go through the quality criteria, quality tolerances, quality methods, quality skills required and quality responsibilities with delegates.

Quality responsibilities

To avoid doubt, the quality responsibilities for a product should be specified. The responsibilities will fall into one of three categories:

- **Producer** – The person or group responsible for developing a product
- **Reviewer** – A person or group independent of the producer who assesses whether a product meets its requirements as defined in its Product Description
- **Approver** – The person or group, for example a Project Board, who is identified as qualified and authorized to approve a (management or specialist) product as being complete and fit for purpose

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Quality – Quality Register

Quality Activity ID	Product-ID	Product	Quality Method	Producer	Reviewer(s)	Approver(s)	Target Review Date	Actual Review Date	Target Approval Date	Actual Approval Date	Result
1	121	Test Plan	Inspection	Ali	Paulo	John, Rita	14-Feb	21-Feb	21-Feb	28-Feb	Pass
2	124	Water Pump	Performance Test	Paulo	Ali, Bob	John	20-Mar	20-Mar	27-Mar	NA	Fail
3	124	Water Pump	Maintenance Test	Paulo	Ali, Amir	Rita	21-Mar	21-Mar	27-Mar	27-Mar	Pass
-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	-
9	124	Water Pump	Performance Test	Paulo	Ali, Bob	John	14-Jun		21-Jun		

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Slide 59

Quality – Quality Register

The Quality Register is effectively a diary of the quality events planned and undertaken (for example, workshops, reviews, inspections, testing, pilots, acceptance and audits). It is created during the Initiating a Project process as the products and quality control measures are being defined and then maintained throughout the project.

As the project progresses and records of the quality activities are received, the Quality Register is updated to reflect the actual results from the quality activities.

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Quality – Quality Register

Section 6.3.1.6 - Quality

The Quality Register is effectively a diary of the quality events planned and undertaken (for example, workshops, reviews, inspections, testing, pilots, acceptance and audits).

Remind delegates that it is created during the Initiating a Project process as the products and quality control measures are being defined and then maintained throughout the project.

Quality – Quality Control

- Quality control, is achieved by
  - Implementing,
  - Monitoring and,
  - Recording the quality methods and responsibilities.
- Quality control comprises:
  - Carrying out the quality methods
  - Maintaining quality and approval records
  - Gaining acceptance

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Slide 60

Quality – Quality Control

When planning is complete and work gets under way, quality control involves implementing and tracking the quality methods defined. Quality control is achieved by implementing, monitoring and recording the quality methods and responsibilities defined in the Quality Management Strategy and Product Descriptions.

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Instructor Notes

Quality – Quality Control

Section 6.3.2 - Quality

When planning is complete and work gets under way, quality control involves implementing and tracking the quality methods defined. Quality control is achieved by implementing, monitoring and recording the quality methods and responsibilities defined in the Quality Management Strategy and Product Descriptions.

Go back through the quality audit trail to put the Quality Control aspect in context.

Quality – Quality Assurance

	Project Assurance	Quality Assurance
What they do	Provide assurance to the project's stakeholders that the project is being conducted appropriately and properly.	Provide assurance to the wider corporate or programme organization that the project is being conducted appropriately, properly and complies with relevant corporate or programme management standards and policies.
How they differ	Must be independent of the Project Manager, Project Support, Team Managers and project teams. Responsibility of the Project Board, therefore undertaken from within the project.	Performed by personnel who are independent of the project (i.e. not a member of the project management team). Responsibility of the corporate or programme management organization, therefore external to the project.
How they relate	Quality assurance as a corporate or programme management function could be used by the Project Board as part of its Project Assurance regime (for example, having quality assurance perform a peer review).	Quality assurance would look for (or require) effective Project Assurance as one of the indicators that the project is being conducted properly.

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Quality – Quality Assurance

It is good practice to arrange for quality assurance independent of the project management team. Quality assurance provides a check that the project's direction and management are adequate for the nature of the project and that it complies with relevant corporate or program management standards and policies. Quality assurance activities are outside the scope of PRINCE2® as it is the responsibility of the corporate or program organization.

Quality assurance is about independently checking that the organization and processes are in place for quality planning and control (i.e. not actually performing the quality planning or control, which will be undertaken by the project management team). It provides the project's stakeholders with confidence that the quality requirements can be fulfilled.

Quality assurance should not be confused with Project Assurance. Project Assurance refers specifically to the Project Board's accountability for assuring that the project is conducted properly in all respects. This is, therefore, a responsibility within the project organization. Although Project Assurance is independent of the Project Manager, unlike quality assurance it is not independent of the project.

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Quality – Quality Review Technique

- Objectives
  - To assess the conformity of a product that takes the form of a document (or similar item, e.g., a presentation or test results) against set criteria
  - To involve key interested parties in checking the product's quality and in promoting wider acceptance of the product
  - To provide confirmation that the product is complete and ready for approval
  - To baseline the product for change control purposes

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Quality – Quality Review Technique

Objectives

- To assess the conformity of a product that takes the form of a document (or similar item, e.g., a presentation or test results) against set criteria
- To involve key interested parties in checking the product's quality and in promoting wider acceptance of the product
- To provide confirmation that the product is complete and ready for approval
- To baseline the product for change control purposes

The PRINCE2® quality review technique can provide benefit, particularly in terms of:

- **Stakeholder engagement** – Structured quality inspections are among the most effective ways of encouraging user buy in to the project.
- **Leadership** – In many circumstances a focus on quality (as in "fitness for purpose") elicits a better response from review team members (and users) than simply focusing on budgets and schedules.
- **Teambuilding** – Formal and informal quality inspections are opportunities to focus on building an effective project team, where members understand each other's contributions, needs and priorities.

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Quality – Quality Review Technique

The Quality Review Technique is part of the Quality Control section 6.3.2. In the 2005 version this was a separate technique but in the 2009 version it has been added to the Quality theme. The next few slides describe the technique in more detail.

Information from this slide can help answer question 25 in the Case Study.

- **Quality documentation** – Consistent and familiar quality records make for improvements in communication and in the analysis of quality metrics.
- **Quality culture** – The PRINCE2® quality review technique is generic. It can be employed on programs, projects and services throughout an organization, resulting in a positive and familiar "quality culture."

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Quality – Quality Review Technique Roles

- Review team roles
  - Chair
  - Presenter
  - Reviewer
  - Administrator

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Quality – Quality Review Technique Roles

Review team roles

- **Chair** – This role is responsible for the overall conduct of the review.
- **Presenter** – This role introduces the product for review and represents the producers of the product. The presenter also coordinates and tracks the work after the review (i.e., applying the changes to the product agreed upon by the team).
- **Reviewer** – This role reviews the product, submits questions and confirms corrections and/or improvements.
- **Administrator** – This role provides administrative support for the chair and records the result and actions.

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Quality – Quality Review Technique Roles

Review team roles

- Chair This role is responsible for the overall conduct of the review
- Presenter This role introduces the product for review and represents the producer(s) of the product. The presenter also coordinates and tracks the work after the review, i.e. applying the changes to the product agreed by the team
- Reviewer This role reviews the product, submits questions and confirms corrections
  and/or improvements
- Administrator This role provides administrative support for the chair and records the result and actions. Please note that in the 2005 version this role was the 'Scribe'.

Information from this slide can help answer question 29 in the Case Study.

Quality – Quality Review Technique Steps

- Quality Review technique has three steps:
  - Review preparation
  - Review meeting agenda
  - Review follow-up

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Quality – Quality Review Technique Steps

Review preparation

- Prepare the administrative arrangements for the review (chair/administrator).
- Check that the product is ready for review and confirm the availability of the reviewers (chair).
- Distribute copies of the product and the relevant Product Description to the review team allowing sufficient time for reviewers to prepare (presenter).
- Review the product in line with the quality criteria in the associated Product Description (reviewers).
- Submit a question list to the chair and presenter ahead of the review (Reviewers).
- Annotate the product copy where there are spelling/grammar mistakes and return to the presenter (reviewers).
- Produce a consolidated question list (chair) and send to the presenter in advance of the meeting.

Review meeting agenda

- **Product introduction** (presenter) – Prepare a very brief summary, covering the product's purpose: Who needs it, why they need it and what it will do.

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Quality – Quality Review Technique Steps

The main point to emphasize here to delegates is that the actual review of the product is done in the 'Review preparation' and that the 'Review meeting agenda' is where the results of the review are discussed.

Information from this slide can help answer question 28 in the Case Study.

- **Major/global questions** (chair) – Invite each reviewer to contribute any major or global questions with the product. Global questions are ones that appear repeatedly throughout the product. The review team agrees upon any action on each question as it is raised. The administrator records the actions and responsibilities.
- **Product "talk-through"** (presenter) – Lead the review team through the product section by section or page by page, as appropriate, by reviewing the consolidated question list and inviting clarification where required. The review team agrees upon actions for each question as it is raised. The administrator records the actions and responsibilities.
- **Read back actions** (administrator) – Confirm the actions and responsibilities.
- **Determine the review result** (chair) – Lead the review team to a collective decision. The options are:
  - **Complete** (the product is fit for purpose, as is)
  - **Conditionally complete** (the product is fit for purpose subject to the actions)
  - **Incomplete** (the product requires another quality review cycle)
- Close the review (chair).

Review follow-up

- Coordinate the actions (presenter).
- Sign off individual actions (reviewers, as agreed upon at the meeting).
- Once all actions are complete, sign off that the product is now complete (chair).
- Communicate the quality review outcome to appropriate managers/support personnel (administrator).
- Store the quality records (administrator).
- Request approval for the product (presenter).

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Quality – Responsibilities

- Corporate or program management
- Executive
- Senior User
- Senior Supplier
- Project Manager
- Team Manager
- Project Assurance
- Project Support

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Quality – Responsibilities

Corporate or program management

- Provide details of the corporate or program quality management system.
- Provide quality assurance.

Executive

- Approve the Project Product Description.
- Approve the Quality Management Strategy.
- Confirm acceptance of the project product.

Senior User

- Provide the customer's quality expectations and acceptance criteria.
- Approve the Project Product Description.
- Approve the Quality Management Strategy.
- Approve Product Descriptions for key user products.
- Provide resources to undertake user quality activities and product approval.
- Provide acceptance of the project product.

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Instructor Notes

Quality – Responsibilities

Section 6.4 - Quality

Table 6.3 pg 58

Information from this slide can help answer question 27 in the Case Study.

Senior Supplier

- Approve the Project Product Description (if appropriate).
- Approve the Quality Management Strategy.
- Approve the quality methods, techniques and tools adopted in product development.
- Provide resources to undertake supplier quality activities.
- Approve Product Descriptions for key specialist products.

Project Manager

- Document customer's quality expectations and acceptance criteria.
- Prepare the Project Product Description (with users).
- Prepare the Quality Management Strategy.
- Prepare and maintain the Product Descriptions.
- Ensure that Team Managers implement the quality control measures agreed upon in Product Descriptions and Work Packages.

Team Manager

- Produce products consistent with Product Descriptions.
- Manage quality controls for the products concerned.
- Assemble quality records.
- Advise the Project Manager of product quality status.

Project Assurance

- Advise the Project Manager on the Quality Management Strategy.
- Assist the Project Board and Project Manager by reviewing the Product Descriptions.
- Advise the Project Manager on suitable quality reviewers/approvers.
- Assure Project Board members on the implementation of the Quality Management Strategy, i.e., the proper conduct of the project management and quality procedures.

Project Support

- Provide administrative support for quality controls.
- Maintain the Quality Register and the quality records.
- Assist Team Managers and members with the application of the project's quality processes.

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Closing a Project (Process)

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Closing a Project (Process)

Timing: This Organization section should take 45 mins including Case Study exercises.

The Closing a Project process is a key process in PRINCE2® and one of the key selling points of the methodology. It has changed somewhat since the 2005 version.

Closing a Project – Purpose

- Purpose
  - To provide a fixed point at which acceptance for the project product is confirmed
  - To recognize that objectives set out in the original Project Initiation Documentation have been achieved, or
  - That the project has nothing more to contribute

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Closing a Project – Purpose

The purpose of the Closing a Project process is to provide a fixed point at which acceptance for the project product is confirmed, and to recognize that objectives set out in the original Project Initiation Documentation have been achieved, or that the project has nothing more to contribute.

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Closing a Project – Purpose

Section 18.1 - CP

The purpose of the Closing a Project process is to provide a fixed point at which acceptance for the project product is confirmed, and to recognize that objectives set out in the original Project Initiation Documentation have been achieved, or that the project has nothing more to contribute.

Closing a Project – Objectives

- The objective of the Closing a Project process is to:
  - Verify user acceptance of the project's products.
  - Ensure that the host location is able to support the products when the project is disbanded.
  - Review the performance of the project against its baselines.
  - Assess any benefits that have already been realized, update the forecast of the remaining benefits, and plan for a review of those unrealized benefits.
  - Ensure that provision has been made to address all open issues and risks with follow-up action recommendations.

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Closing a Project – Objectives

The objective of the Closing a Project process is to:

- Verify user acceptance of the project's products.
- Ensure that the host location is able to support the products when the project is disbanded.
- Review the performance of the project against its baselines.
- Assess any benefits that have already been realized, update the forecast of the remaining benefits, and plan for a review of those unrealized benefits.
- Ensure that provision has been made to address all open issues and risks with follow-up action recommendations.

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Closing a Project – Objectives

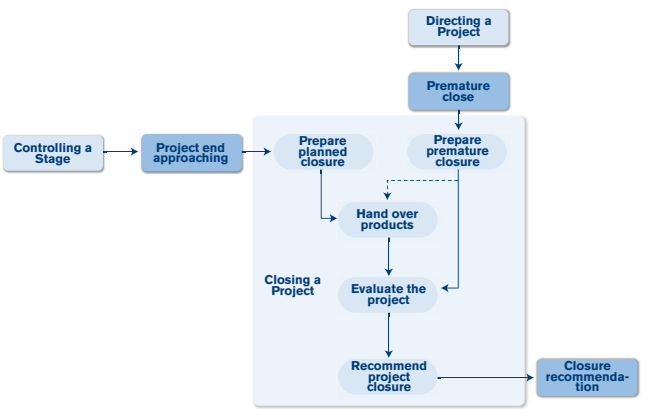
Section 18.2 - CP

These objectives are actually quite important for delegates to understand as there are a large number of projects that do not fulfil these in practice.

The objective of the CP process is to:

- Verify user acceptance of the project's products
- Ensure that the host locations(s) is able to support the products when the project is disbanded
- Assess any benefits that have already been realized, update the forecast of the remaining benefits, and plan for a review of those unrealized benefits
- Ensure that provision has been made to address all open issues and risks with follow-on action recommendations.

Closing a Project – Context



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Closing a Project – Context

One of the defining features of a PRINCE2® project is that it is finite–it has a start and an end.

A clear end to a project:

- Is always more successful than a slow drift into use as it is a recognition by all concerned that:
  - The original objectives have been met (subject to any approved changes).
  - Either the operational regime must now take over the products from this project, or the products become inputs into some subsequent project or into some larger program.
  - The project management team can be disbanded.
  - Project costs should no longer be incurred.
- Provides an opportunity to ensure that all unachieved goals and objectives are identified so that they can be addressed in the future
- Transfers ownership of the products to the customer and terminates the responsibility of the project organization

Closure activities should be planned as part of the Stage Plan for the final management stage.

It is also possible that the Project Board may wish to trigger a premature closure of the project under some circumstances (for example, if the Business Case is no longer valid). If the project is being brought to a premature close, this process will still need to be executed, but may need tailoring to the actual project situation.

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Closing a Project – Context

Section 18.3 - CP

Some of the main points to emphasize for delegates include that the closure activities should be planned as part of the Stage Plan for the final management stage.

It is also possible that the Project Board may wish to trigger a premature closure of the project under some circumstances (for example, if the Business Case is no longer valid). If the project is being brought to a premature close, this process will still need to be executed, but may have to be tailored to the actual project situation.

Closing a Project – Activities

- Closing a Project activities are Project Manager-oriented and comprise:
  - Prepare planned closure
  - Prepare premature closure
  - Hand over products
  - Evaluate the project
  - Recommend project closure

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Closing a Project – Activities

Closing a Project activities are Project Manager-oriented and comprise:

- Prepare planned closure
- Prepare premature closure
- Hand over products
- Evaluate the project
- Recommend project closure

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Closing a Project – Activities

Section 18.4 - CP

These activities are detailed in the upcoming slides.

Closing a Project – Prepare Planned Closure (1/2)

- Before closure of the project can be recommended, the Project Manager must ensure that all the expected results have been achieved and delivered.

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Closing a Project – Prepare Planned Closure (1/2)

Before closure of the project can be recommended, the Project Manager must ensure that all the expected results have been achieved and delivered.

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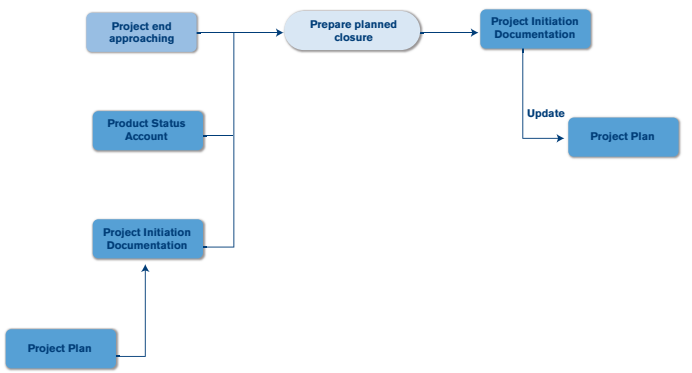
Instructor Notes

Closing a Project – Prepare Planned Closure (1/2)

Section 18.4.1 - CP

Before closure of the project can be recommended, the Project Manager must ensure that the expected results have all been achieved and delivered.

Closing a Project – Prepare Planned Closure (2/2)



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Closing a Project – Prepare Planned Closure (2/2)

PRINCE2® recommends the following actions:

- Update the Project Plan with actuals from the final stage.
- Request a Product Status Account from Project Support. From the Product Status Account, ensure that the project's products:
  - Have been approved by the authorities identified in their Product Descriptions
  - Meet all the quality criteria, or are covered by approved concessions
- Confirm that the project has delivered what is defined in the Project Product Description, and that the acceptance criteria have been met.

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Instructor Notes

Closing a Project – Prepare Planned Closure (2/2)

Section 18.4.1 - CP

Also look at Table 18.1 pg 207 for responsibilities and management products for this sub-process.

Closing a Project – Prepare Premature Close (1/2)

- The Project Board may instruct the Project Manager to close the project prematurely.
- The Project Manager
  - Must ensure that work in progress is not simply abandoned
  - That the project salvages anything of value created to date
  - Must check that any gaps left by the cancellation of the project are raised to corporate or program management

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Closing a Project – Prepare Premature Close (1/2)

In some situations, the Project Board may have instructed the Project Manager to close the project prematurely. In such circumstances, the Project Manager must ensure that work in progress is not simply abandoned, but that the project salvages anything of value created to date and check that any gaps left by the cancellation of the project are raised to corporate or program management.

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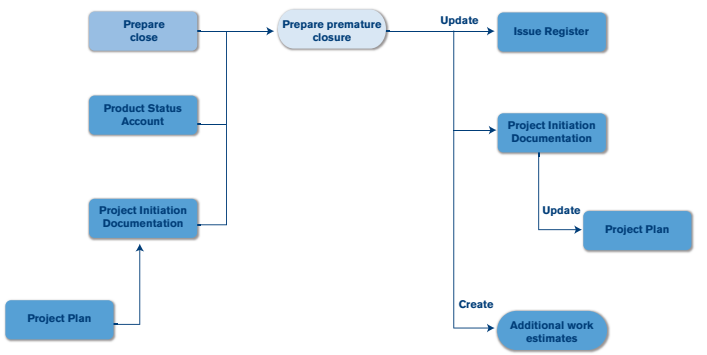
Closing a Project – Prepare Premature Close (1/2)

Section 18.4.2 - CP

If the Project Board instructs the Project Manager to close the project prematurely, the Project Manager must ensure that work in progress is not simply abandoned, but that the project salvages anything of value created to date.

Closing a Project – Prepare Premature Close (2/2)



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Closing a Project – Prepare Premature Close (2/2)

PRINCE2® recommends the following actions:

- Update the Issue Register to record the premature closure request.
- Update the Project Plan with actuals from the final stage.
- Request a Product Status Account from Project Support. From this, determine which of the project's products:
  - Have been approved by the authorities identified in their Product Descriptions
  - Are currently in development (and which of those need to be completed)
  - Are covered by approved concessions
  - Have yet to be started
  - Must be made safe
  - May be useful to other projects
- Agree upon the means for recovering products that have been completed or are in progress. This will need Project Board consultation.

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Closing a Project – Prepare Premature Close (2/2)

Section 18.4.2 - CP

Also look at Table 18.2 pg 208 for responsibilities and management products for this sub-process.

Closing a Project – Hand Over Products (1/2)

- The project's products must be passed to an operational and maintenance environment prior to the project being closed.
- It is not a project activity to undertake benefits reviews post-project, only to plan for such benefits reviews to occur.

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Closing a Project – Hand Over Products (1/2)

The project's products must be passed to an operational and maintenance environment prior to the project being closed. This may happen as a single release at the end of the project, or may include phased delivery of products.

It is not a project activity to undertake benefits reviews post-project, only to plan for such benefits reviews to occur. If the project is part of a program, then the post-project benefits reviews should be covered by the program's benefits management activities.

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Instructor Notes

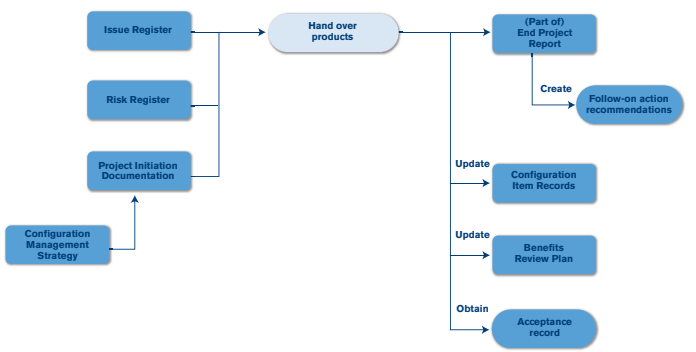
Closing a Project – Hand Over Products (1/2)

Section 18.4.3 - CP

The project's products must be passed to an operational and maintenance environment prior to the project being closed.

It is very important for delegates to remember that it is not a project activity to undertake benefits reviews post-project, only to plan for such benefits reviews to occur. If the project is part of a program, then the post-project benefits reviews need to be covered by the program's benefits management activities.

Closing a Project – Hand Over Products (2/2)



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Closing a Project – Hand Over Products (2/2)

PRINCE2® recommends the following actions:

- Prepare follow-up action recommendations for the project's products to include any uncompleted work, issues and risks.
- Check that the Benefits Review Plan includes post-project activities to confirm benefits that cannot be measured until after the project's products have been in operational use for some time
- The Configuration Management Strategy should be examined in order to confirm how products are to be handed over to those who will maintain them in their operational life.
- Confirm acceptance from the operations and maintenance organizations.
- Transfer the responsibility for the products from the project to the operations and maintenance organizations and update the products' Configuration Item Records.

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Instructor Notes

Closing a Project – Hand Over Products (2/2)

Section 18.4.3 - CP

Also look at Table 18.3 pg 209 for responsibilities and management products for this sub-process.

Closing a Project – Evaluate the Project (1/2)

- Successful organizations learn from their experiences with projects.
- When evaluating the project, the objective is to assess how successful or unsuccessful the project has been.

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Closing a Project – Evaluate the Project (1/2)

Successful organizations learn from their experiences with projects. When evaluating the project, the objective is to assess how successful or unsuccessful the project has been. It may also be possible to improve the estimation for future projects by analyzing the estimates and actual progress metrics for this project.

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Instructor Notes

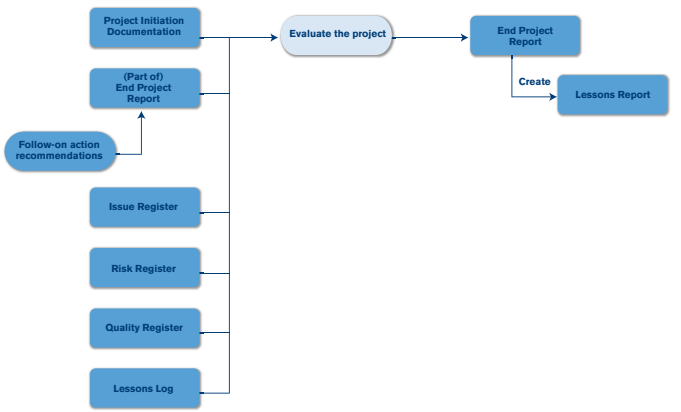
Closing a Project – Evaluate the Project (1/2)

Section 18.4.4 - CP

Remind students that successful organizations learn from their experiences with projects. When evaluating the project, the objective is to assess how successful or unsuccessful the project has been.

Successful estimating is also crucial to successful projects. Therefore it may also be possible to improve the estimation for future projects by analysing the estimates and actual progress metrics for this project.

Closing a Project – Evaluate the Project (2/2)



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Closing a Project – Evaluate the Project (2/2)

PRINCE2® recommends the following actions:

- Review the project's original intent as agreed upon in the initiation stage and defined by the Project Initiation Documentation baselined at that time.
- Prepare an End Project Report to include:
  - The Project Manager's summary of how the project performed
  - An assessment of the results of the project against the expected benefits in the Business Case
  - A review of how the project performed against its planned targets and tolerances
  - A review of team performance
  - A review of the project's products (which should include a summary of any follow-up action recommendations)
- In consultation with the project management team, prepare a Lessons Report. The report should include:
  - A review of what went well, what went badly and any recommendations for corporate or program management consideration
  - Any useful knowledge gained regarding tailoring of PRINCE2® for the particular project environment

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Closing a Project – Evaluate the Project (2/2)

Section 18.4.4 - CP

Also look at Table 18.4 pg 211 for responsibilities and management products for this sub-process.

Closing a Project – Recommend Project Closure (1/2)

- Once the Project Manager has confirmed that the project may be closed, a closure recommendation should be raised to the Project Board.

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Closing a Project – Recommend Project Closure (1/2)

Once the Project Manager has confirmed that the project may be closed, a closure recommendation should be raised to the Project Board.

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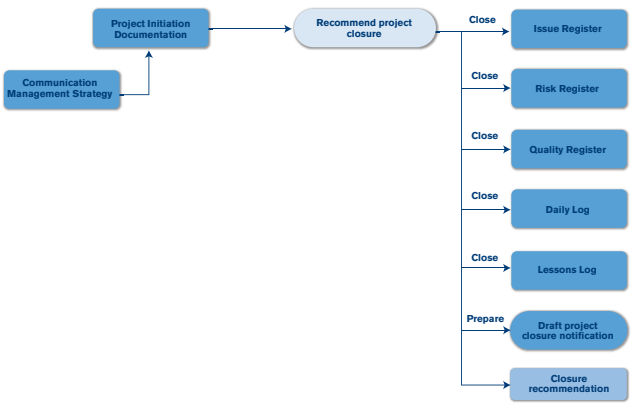
Instructor Notes

Closing a Project – Recommend Project Closure (1/2)

Section 18.4.5 - CP

Once the Project Manager has confirmed that the project can be closed, a closure recommendation should be raised to the Project Board.

Closing a Project – Recommend Project Closure (2/2)



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Closing a Project – Recommend Project Closure (2/2)

PRINCE2® recommends the following actions:

- Use the Communication Management Strategy to inform stakeholders that the project is closing.
- Close the project's Issue Register, Risk Register, Quality Register, Daily Log and Lessons Log.
- All project information should be secured and archived in accordance with the Configuration Management Strategy.

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Instructor Notes

Closing a Project –Recommend Project Closure (2/2)

Section 18.4.5 - CP

Also look at Table 18.5 pg 212 for responsibilities and management products for this sub-process.

Closing a Project – Scalability

- Check that everything has been delivered.
- Check that the product is accepted.
- Record any follow-up recommendations.
- Release resources.

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Closing a Project – Scalability

Regardless of the size or complexity of a project the core activities of the process remain the same. It involves checking that everything has been delivered and that the product is accepted by the customer. It is important to record any follow-up recommendations and release the resources of the project. Of course, in a small project this may not be required.

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Closing a Project – Scalability

Regardless of the size or complexity of a project the core activities of the process remain the same. It involves checking that everything has been delivered and that the product is accepted by the customer. It is important to record any follow-on recommendations and release the resources of the project. Of course, in a small project this may not be required.

Case Study Activity

- Closing a Project
  - Individually, or in groups, complete the closing a project activity from the case study.

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Tailoring PRINCE2®

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Tailoring PRINCE2®

Timing: This Tailoring section should take 30 mins including Case Study exercises.

Tailoring PRINCE2® – Introduction

- PRINCE2® is extremely flexible and can be used on a wide range of projects that vary in size and complexity.
- It is important to tailor and scale the PRINCE2® methodology to suit the particular project you are working on.
- Tailoring does not consist of omitting elements of PRINCE2® because the methodology is a web of interlinking elements.

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Tailoring PRINCE2® – Introduction

One of the main benefits of PRINCE2® as a project management methodology is that it is extremely flexible and can be used on a wide range of projects that vary in size and complexity. PRINCE2® can be used on very large projects or very small projects. It is important to tailor and scale the PRINCE2® methodology to suit the particular project you are working on.

Using all the elements of control available in PRINCE2® could increase the cost and timeframes of the project and could be considered bureaucratic. However, not using an element of control means introducing project risk. This is acceptable as long as the risk is understood and managed.

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Tailoring PRINCE2® – Introduction

Section 19 - Tailoring

It is vital that delegates be able to understand how PRINCE2® can be tailored to fit small and large projects. It would be easy to skip through this section, especially since it is the final section, but this area will be examined.

One of the main benefits of PRINCE2® as a project management methodology is that it is extremely flexible and can be used on a wide range of projects which vary in size and complexity. PRINCE2® can be used on very large projects or very small projects. It is important to tailor and scale the PRINCE2® methodology to suit the particular project you are working on.

Tailoring PRINCE2® – Embedding and Tailoring

- **Tailoring** refers to the appropriate use of PRINCE2® on any given project, ensuring that there is the correct amount of:
  - Planning,
  - Control,
  - Governance and,
  - Use of the processes and themes.
- **Embedding** is the adoption of PRINCE2® across an organization.

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Tailoring PRINCE2® – Embedding and Tailoring

Tailoring focus:

- Adapting the themes (through the strategies and controls)
- Incorporating specific terms/language
- Revising the Product Descriptions for the management products
- Revising the role descriptions for the PRINCE2® project roles
- Adjusting the processes to match the above

Embedding focus:

- Process responsibilities
- Scaling rules/guidance (e.g., score card)
- Standards (templates, definitions)
- Training and development
- Integration with business processes
- Tools
- Process assurance

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Tailoring PRINCE2® – Embedding and tailoring

Table 19.1 pg 215

The concept of embedding and tailoring is new to the 2009 version. Make sure delegates understand the differences between each of these. Detailed guidance on embedding can be found in the 'PRINCE2® Maturity Model'.

Tailoring PRINCE2® – Approach

- Applying the principles
- Adapting the themes
- Applying the organization's terms and language
- Adapting the management products
- Adapting the roles
- Adapting the processes

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Tailoring PRINCE2® – Approach

Applying the principles

As PRINCE2®'s principles are universal, they will always apply and are not tailored.

Adapting the themes

Adapting a theme does not necessarily mean modifying the method. The level of control required will influence the formality and frequency of monitoring, reviewing and reporting.

Applying the organization's terms and language

The method may require adaptation to incorporate the terms and language of corporate or program organization.

Adapting the management products

In tailoring PRINCE2®, the management products may be adapted, in which case it may be necessary to modify their Product Descriptions. It should remain clear as to what the purpose of the management products is, what they should comprise and what quality criteria exist.

Adapting the roles

PRINCE2®'s organization structure must be carefully considered for all projects.

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Instructor Notes

Tailoring PRINCE2® – Approach

Section 19.2.1 - Tailoring

Go through each of the areas highlighted in the student notes so delegates understand the important parts of PRINCE2® that can and cannot be tailored.

Adapting the processes

All the PRINCE2® process activities must be implemented; however, the responsibilities for performing the activities may change (if any roles have been adapted) and any references to the management products may require change (if any management products have been adapted).

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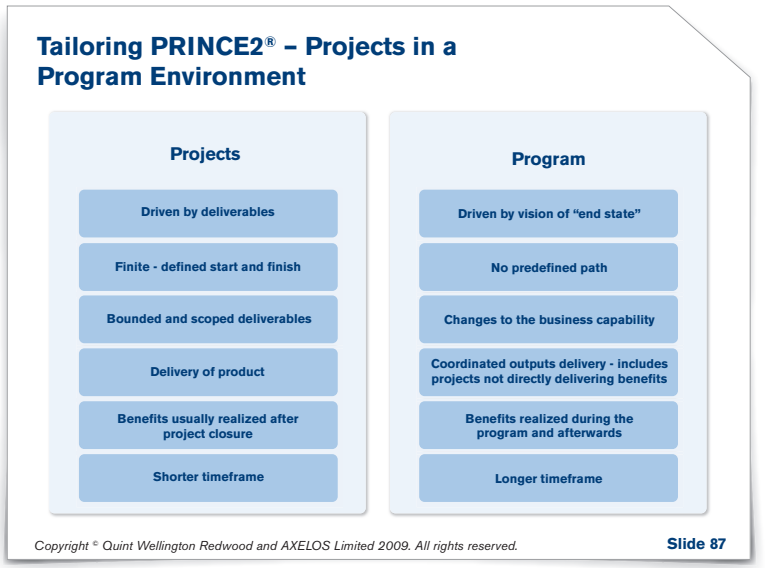

Tailoring PRINCE2® – Projects in a Program Environment

A program is a temporary flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits relating to an organization's strategic objectives. A program may have a life that spans several years.

The distinction between projects and programs is that projects typically produce or change something and are then disbanded. The benefits of the undertaking are likely to be accrued after the project is completed. Programs are typically used to help transform organizations; therefore, the temporary program organization tends to have a lifespan that covers the realization of the benefits–which could be several years.

PRINCE2® may be tailored when working in a program environment (using Axelos's Managing Successful programs framework) by looking at how to adapt the themes, processes and management products.

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Tailoring PRINCE2® – Projects in a Program Environment

Section 19.4 - Tailoring

It is important to briefly describe the area of Program Management and how PRINCE2® fits within the context of Program Management.

Tailoring PRINCE2® – Small Projects

- Small Projects
  - Project executive (as the Project Board)
  - Project manager
  - A Project Initiation Document
  - Single working stage
  - Informal reviews and reports (may be verbal)

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Tailoring PRINCE2® – Small Projects

PRINCE2® may be used for very small projects so long as a few critical elements remain:

- The role of project executive (to serve as the Project Board) is required.
- The role of a product manager is required.
- A Product Initiation Document must be produced at the end of a combined Start Up a Project and Initiating a Project stages.
- There must be at least one working stage and formal closure.
- Controls may be informal with informal reviews and reports (if necessary, these may be verbal).

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Tailoring PRINCE2® – Small Projects

PRINCE2® can be used for very small projects as long as a few critical elements remain. These are having a project executive (as the project board) and a project manager. There must be a Project Initiation Document produced at the end of a combined SU and IP stage. There also must be at least one working stage and formal closure. The controls can be informal with informal reviews and reports (these can be verbal if necessary).

Tailoring PRINCE2® – Large Projects

- PRINCE2® methodology to maintain control on large projects
  - Project board with separately represented interests
  - Project manager and team managers
  - Project Initiation Document
  - Multiple stages
  - High degree of formality (documentation and reporting)
  - Work packages will be legal contracts
  - Formal closure

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Tailoring PRINCE2® – Large Projects

Very large projects can benefit from using the PRINCE2® methodology to maintain control. Some of the elements include:

- Project board with separately represented interests
- Project manager and team managers
- Working groups and committees
- Project Initiation Document
- Multiple stages
- High degree of formality (documentation and reporting)
- Work packages will be legal contracts
- Formal closure

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Example Project Product Description for An Annual Conference and PBS Indented List

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Example Project Product Description

PRINCE2® Foundation (PR2-213 v3.02)

Title	Annual conference
Purpose	The conference is the annual showcase of the profession and provides its members with an opportunity to learn about the latest developments in professional procedures and standards, and to network with fellow members.
Composition	• Conference venue • Attendees • Speakers • Publicity • Delegate handouts • Conference logistics
Derivation	• Selected subject matter • Mailing list • Previous conference lessons and materials • Agreed upon date
Development skills required	• Conference management • Marketing • Public relations
Customer's quality expectations	Priority 1: • A professional conference funded by attendees that must address the needs of the wide range of members (from beginners to experienced professionals) • The event will provide a forum for networking • Repeat attendance of future conferences from satisfied members
	Priority 2: • The speakers will be chosen on the basis of their knowledge, experience and expertise. They are not delivering a "sales pitch" to the members. • The conference will be interactive in style. • The conference will be held at a central location, therefore minimizing travel.

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Instructor Notes

PRINCE2® Foundation (PR2-213 v3.02)

Acceptance criteria and project level quality tolerances	In priority order: • Attendance fees must cover the cost of the conference. • A minimum of 80 and a maximum of 100 people will attend the conference. • More than 50% of the presentations are interactive (tutorials rather than lectures). • The editorial board, which represents the interests of the members, approves the speakers and the program. • The attendees' satisfaction survey indicates that more than 75% will attend next year's conference and/or recommend it to colleagues. • The hotel venue is within three miles of a main line train station.
Acceptance method	As the conference cannot be rerun should it prove to be unacceptable, the Project Board will grant: • Preliminary acceptance –Based on approval of the agreed upon program by the editorial board and independent assurance that the attendee numbers and conference cost are forecast to be acceptable • Final acceptance – Based on the End Project Report providing evidence that the acceptance criteria were met
Acceptance responsibilities	• The Senior User and Executive are responsible for confirming acceptance.

Example of a Project Product Description

Table D.1 – Example of a Project Product Description for an annual conference

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Product Breakdown Structure in the form of an indented list

Conference

1. Venue
   1.1. Venue requirements
   1.2. Candidate venues
   1.3. Venue assessments
   1.4. Selected and booked venue
2. Attendees
   2.1. Mailing list (external)
   2.2. Responses (external)
   2.3. Booking arrangements
   2.4. Final attendee list
3. Speakers
   3.1. Speaker options
   3.2. Speaker invitations
   3.3. Booked speakers
4. Publicity
   4.1. Direct mail
   4.2. Press release
5. Delegate handouts
   5.1. Covers
   5.2. Printed agenda
   5.3. Slides and notes
   5.4. Satisfaction survey form
6. Conference logistics
   6.1. Selected subject matter (external)
   6.2. Agreed upon date (external)
   6.3. Agreed upon program
   6.4. On-the-day staff
7. Previous conference lessons and materials (external)

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Product Based Planning Example

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Product-based Planning Example

- Project Scenario (Part 1)
  - A project is required to organize and run a conference for between 80 and 100 delegates.
  - A required date and the selected subject matter of the conference has been provided.
  - The conference will be held at a venue that must be identified, checked for availability, facilities and price, and then booked.
  - All delegates will be members of the profession, and a mailing list is available for use.
  - Suitable speakers must be identified, approached and booked.
  - Once the speakers are booked, a detailed agenda and program must be identified.
  - One hundred delegate handout packets will be required, with its cover reflecting the selected subject matter.

Slide 2

Product-based Planning Example

Project Scenario (Part 1)

A project is required to organize and run a conference for between 80 and 100 delegates. A required date and the selected subject matter of the conference has been provided. The focus is to bring members of a particular profession up to date on recent developments in professional procedures and standards. The conference will be held at a venue that must be identified, checked for availability, facilities and price, and then booked. All delegates will be members of the profession, and a mailing list is available for use. Suitable speakers must be identified, approached and booked. Once the speakers are booked, a detailed agenda and program must be identified. One hundred delegate handout packets will be required, with its cover reflecting the selected subject matter. The packets must contain a printed agenda covering the agreed upon program, copies of slides and notes used by the speakers, and a feedback form, based on the program, to capture attendee reviews. Booking arrangements must be established, the program must be agreed upon, and the venue must be selected and booked before the direct mail is sent out. Once the venue is booked, a press release based on the program must be prepared and issued. The attendance list will be updated with the responses once the press release has been issued and the direct mail distributed. Staff must be recruited to help on the day, based on the finalized attendance list.

Product-based Planning Example

- Project Scenario (Part 2)
  - The packets must contain a printed agenda covering the agreed upon program, copies of slides and notes used by the speakers, and a feedback form, based on the program, to capture attendee reviews.
  - Booking arrangements must be established, the program must be agreed upon, and the venue must be selected and booked before the direct mail is sent out.
  - Once the venue is booked, a press release based on the program must be prepared and issued.
  - The attendance list will be updated with the responses once the press release has been issued and the direct mail distributed.
  - Staff must be recruited to help on the day, based on the finalized attendance list.

Slide 3

Product-based Planning Example

Project Scenario (Part 2)

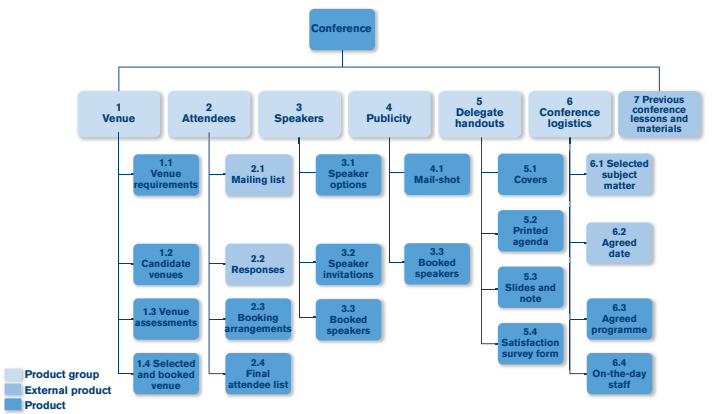
A project is required to organize and run a conference for between 80 and 100 delegates. A required date and the selected subject matter of the conference has been provided. The focus is to bring members of a particular profession up to date on recent developments in professional procedures and standards. The conference will be held at a venue that must be identified, checked for availability, facilities and price, and then booked. All delegates will be members of the profession, and a mailing list is available for use. Suitable speakers must be identified, approached and booked. Once the speakers are booked, a detailed agenda and program must be identified. One hundred delegate handout packets will be required, with its cover reflecting the selected subject matter. The packets must contain a printed agenda covering the agreed upon program, copies of slides and notes used by the speakers, and a feedback form, based on the program, to capture attendee reviews. Booking arrangements must be established, the program must be agreed upon, and the venue must be selected and booked before the direct mail is sent out. Once the venue is booked, a press release based on the program must be prepared and issued. The attendance list will be updated with the responses once the press release has been issued and the direct mail distributed. Staff must be recruited to help on the day, based on the finalized attendance list.

Product Breakdown Structure Examples

- PRINCE2® does not specify the format in which a product breakdown structure is drawn. Three example formats are provided for the conference project:
  - Hierarchy chart
  - Mind map
  - Indented list

Slide 4

Product Breakdown Structure – Hierarchy Chart



Slide 5

Instructor Notes

Product Breakdown Structure – Mind Map

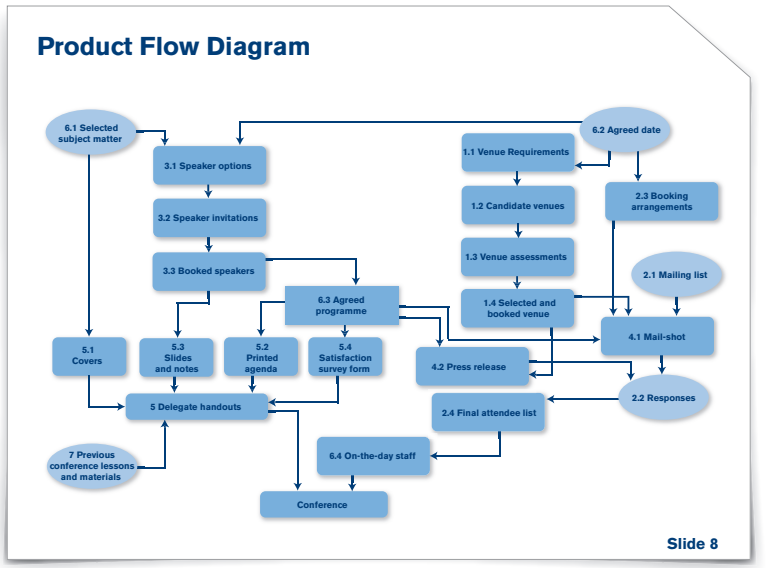
Slide 6

Instructor Notes

Product Description

Identifier	Conference/4.1/version 1.0		
Title	Mail-shot		
Purpose	The mail-shot is the primary means of advertising the conference to potential delegates. It will be mailed to a list of professionals working in the industry.		
Composition	• Mailing envelope • Letter giving outline explanation of the conference • Leaflet giving detailed explanation of the conference. The venue and how to make a booking • Booking form • Response envelope		
Derivation	• Mailing list • Agreed programme • Booking arrangements • Selected venue		
Format and presentation	Letter to be A4 on standard branded letterhead. Leaflet and booking form to be A5 size. Mailing envelope to be C5		
Development skills required	Marketing, design and copywriting skills required. Knowledge of conference necessary		
Quality responsibilities	• Producer – Event management company • Reviewers – as stated under 'Quality Skills Required' • Approver – Membership secretary		
Quality criteria	Quality tolerance	Quality method	Quality skills required
Adheres to corporate identity standards	As defined in corporate identity standards	PRINCE2® quality review	Marketing team
Letter and leaflet accurately reflect all agreed details of the conference	None	Inspection	Conference Project Manager
No spelling or grammatical errors In any elements of the mail-shot	None	Word processor spell checker Inspection	Proof reader
The covering letter fits on one side of A4	May extend to reverse of a single sheet of A4	Inspection	Proof reader

Slide 7



Product Flow Diagram

Note: Only the project product, releases and products need to be transferred from the product breakdown structure to the product flow diagram. For example, in this scenario the planner has used "publicity" in the product breakdown structure but the only publicity products that actually need to be produced are the direct mail and press release. "Publicity" is not a product that itself requires work but a convenient way to describe the products that provide the publicity for the conference. Whereas the delegate handout is a product, that is created by bringing together the covers, printed agenda, slides and notes, and the satisfaction survey form products.

Business Case Study and Exercises

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PRINCE2® Case Study for PRINCE2® Foundation

Promotional Film Project for Premier Golf Developments

Introduction

Premier Golf Developments is the world's leading luxury-brand golf management, development and marketing company specializing in the development and management of premier sports and lifestyle destinations.

Jack Woods founded the company in 1990 with Headland Links Golf Club in Australia as its flagship. Global in scope, his original vision has guided Premier Golf Developments to a portfolio that now incorporates prestigious golf courses, resorts and private club developments stretching from islands in the Caribbean to the deserts of Dubai, as well as South Africa, Hong Kong, Australia, Great Britain and continental Europe.

Jack Woods is very eager for his company to continue its worldwide expansion into new countries such as China, Japan and Mexico. To continue with this expansion Jack Woods must raise significant investment capital.

Meanwhile, Jack has also been considering a purchase of a private jet for the company since he spends over 70% of his time traveling between countries visiting the golf course developments. While researching the various types of private jets he came across a promotional film from one of the companies. He was extremely impressed with the quality and professionalism of the promotional film and thought that having such a film would be the perfect vehicle to promote Premier Golf Developments to potential investors. Professional Promotional Films (PPF) produced the promotional film.

Projectscenario

Jack Woods wishes to create a high-end, professional promotional film with the aim of attracting investors to showcase the quality and luxury of a number of the flagship developments. Jack contacts you to manage the project as you have successfully managed various projects for him before. He asks you to organize everything and get in touch with PPF to produce the promotional film. A budget of $300,000 is allocated for the film ($150,000 for film production and $150,000 for your fee), though he admits that this amount is an estimate only. This is the project mandate.

Jack expects that the promotional film will be ready within six months to showcase to potential investors at the annual Premier Golf Developments Golf Challenge Tournament held at the Sands Desert Golf Club in Dubai. This is the only information provided to you at this early stage. Jack explains that he will not be able to have a hands-on role throughout the project, as he will be traveling extensively. He is scheduled for an extended business trip in just over three weeks so he expects that the project will be well under way by then. Even though he will be away on business, he will be accessible via phone

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and email. Jack has asked a friend, Tiger Nicklaus, to oversee the project in his absence. Tiger is a retired film producer who has experience within the film production industry.

Week 1

Jack officially appoints you as the Project Manager and he has agreed to be the Project Executive (SU – Appoint the Executive and the Project Manager).

You contact PPF about producing the promotional film. They are very excited about the potential of the project, but have a number of other major projects underway, so managing the resources available will be paramount. Due to a high commitment of internal resources, PPF cannot guarantee to complete the film before the Premier Golf Developments Golf Challenge Tournament. You inform Jack Woods about this but he insists that the film be produced by PPF, so finding another production company is not an option.

After meeting with PPF, they suggest to you that the best option to complete the film within the allocated timeframe is for them to outsource the film music and editing/post-production to third parties, since their internal resources for these tasks are fully utilized for the foreseeable future.

Together with Jack Woods and PPF, you identify all the relevant stakeholders associated with the project. The project involves the following people:

You	Project Manager appointed by Jack Woods
Jack Woods	Managing Director of Premier Golf Developments: The promotional film was his brainchild and he expects a very professional product of the highest quality. He will be financing the project, but will travel extensively throughout the project timeframe.
Annika Webb	Executive Assistant to Jack Woods: She has authority to manage the finances while Jack Woods is not available. She is also the Administrative Manager for Premier Golf Developments.
Ida Philmalot	She is the Manager of PPF. Her responsibility is to ensure that PPF clients have support and that any productions undertaken by PPF are achievable. She is accountable for the final delivery of the customer's promotional film.
Steven Spielberg	He is the main Film Director at PPF. He will be in charge of the day-to-day film production. His team will not be able to perform the post-production editing as PPF editing resources are fully booked for other projects. However, he will be available to oversee this work.
Tiger Nicklaus	Tiger is a close friend of Jack Woods. He is a retired film producer and avid golfer. Even though he will not be directly involved in the project he has offered to oversee the project to ensure that the quality of the promotional film remains high.

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John Williams	He is a very experienced music composer and has many years experience working with PPF. He is a self-employed freelance composer and an independent contractor to PPF.
Ed Itor	He is the Manager of Edit R Us, a post-production editing company that specializes in documentaries and promotional film editing. While the firm has very strong reputation within the industry, this is the first time that PPF has used external post-production facilities for its editing.

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Activity – Organization

1. From the list of available people for this project, suggest a suitable project management team structure. Explain and justify why you have selected each person for particular roles. (Base this structure on Figure 5.3 – Project management team structure)

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2. List some of the responsibilities of the following roles during the controlled start phase of the project:
   - Executive
   - Senior User
   - Senior Supplier
   - Project Manager
   - Project Assurance

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Instructor Notes

Week 1 (continued)

Since a film project has not previously been undertaken by Premier Golf Developments, it is important to understand any lessons that may be learned about running this type of project. You set up a Lessons Log at this stage. PPF is a great source of information about this as they have years of experience in this area. Tiger Nicklaus would also be able to provide valuable input (SU – Capture previous lessons).

Once the project management team has been identified (SU – Design and appoint the project management team) it is important to negotiate and agree upon everyone's roles. Since there are third parties involved, this will require written role descriptions. Once all roles have been agreed upon and appointed, you begin to prepare the outline Business Case (SU – Prepare the outline Business Case). Given the information available, the outline Business Case is likely to be only a high-level view at this time. It provides an agreed upon foundation for a more extensive Business Case developed in the Initiating a Project process. Jack Woods, in his role as the Executive, is responsible for drafting the outline Business Case based on what is currently known about the project.

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Activity – Outline Business Case

Jack Woods has asked Annika Webb to assist in the development of the outline Business Case. She has not been trained in PRINCE2® and this is the first time she has been asked to do this. She downloaded a template from the internet and completed the outline Business Case detailed below.

You examine the outline Business Case presented by Annika Webb as one of your roles is to review this management product. While it is a reasonable first attempt, you realize that it needs improvement. Make any comments on the Business Case and recommend any improvements that can be made. This may include comments on the structure and content of the Business Case.

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Premier Golf Developments Promotional Film Business Case

Introduction/Background

Jack Woods wants a promotional film produced to highlight Premier Golf Developments to potential investors.

Options

Jack has explored many options to highlight Premier Golf Developments to potential investors. He has decided that the promotional film is the best option.

Benefits

The following benefits are expected:

- Increased market share
- Higher profile within the development industry
- Higher perception of the quality of Premier's products
- Increased investor base
- More focused marketing strategy

Risks

- Jack Woods has not indicated a final budget for the promotional film at this stage, but approximates a budget of $150,000. He is waiting for a more detailed Project Plan.
- Premier has not used PPF before and can only go on their reputation for delivering on time.
- Premier does not have expertise in the film production business.
- PPF has stated that it is not able, due to resource constraints, to complete the film music and post-production in-house. Premier must rely on PPF to manage the third parties involved in the music and editing roles.
- A promotional film may not be the best way to promote the business.
- Jack Woods will be traveling extensively.

Costs

A budget of approximately $300,000 has been set aside for the promotional film. This includes the cost of the film and the salary of the Project Manager. However, Jack Woods has not finalized any amount as he is waiting for a detailed Project Plan before committing the funds.

The cost of the third parties providing the music and post-production will be borne by PPF and is included in their payment.

Timeframes

The promotional film must be ready by December 12th, which is six months from now. A large group of potential investors will be present at the Premier Golf Developments Golf Challenge Tournament held at the Sands Desert Golf Club in Dubai and Jack Woods will be using the promotional film as a showcase at this event.

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Week 1 (continued)

Once the outline Business Case is completed the Project Product Description is written. You consult with the Senior User and Executive to define exactly what the project is to deliver. You capture the customer's quality expectations and agree upon the project's acceptance criteria. You also check feasibility of the timescale requirements from the project mandate or as required by the outline Business Case, determine any key milestones and capture any new risks in the Daily Log (which was created in "SU – Appoint the Executive and the Project Manager").

Decisions regarding the project approach must also be considered at this juncture. It is clear that the resource constraints of PPF must be carefully managed if the project is to be completed on time. The project approach, along with information from the various management products created thus far, is collated in to a Project Brief (SU – Select the project approach and assemble the project brief).

Activity – Project Brief

1. Briefly outline the composition of the Project Brief.

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Week 1 (continued)

The last task for the week is to plan for the Initiation Stage (SU – Plan for the Initiation Stage). Jack Woods requests a Project Initiation Document (PID) that will cover the following six months. You anticipate that it will take two weeks to complete the PID as there must be numerous meetings held with all stakeholders involved in the project. Time is critical, as Jack Woods will be traveling extensively at the end of the two-week period.

Week 2-3

At the start of week two you send a request to initiate the project to the Project Board. The Project Board performs "DP – Authorize Initiation" by approving the Initiation Stage Plan and the Project Brief.

Directing a Project provides a set of formal procedures to sign off the starting, continuing and finishing of a project. The exception is "DP – Give ad hoc direction," which is an informal way of giving advice to the Project Manager. The Directing a Project processes exist to maintain management control over the whole project on behalf of, if appropriate, Corporate or Program Management. Each stage of a project continues only after management approval.

All of the DP processes are independent of each other. The subprocesses interface with the five other processes.

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Activity – Directing a Project

1. List and explain at least five key objectives of Directing a Project (DP).

2. What are the two outputs from "DP – Authorize Initiation"?

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Week 2-3 (continued)

Following "DP – Authorize Initiation," the Project Board has decided to commit the necessary resources to the Initiation Stage. The purpose of the Initiating a Project process is to establish solid foundations for the project, enabling the organization to understand the work required to deliver the project's products before committing to a significant spend. They have set aside two weeks to complete this with a tolerance of minus two days. Again, you are reminded of the time factor, as Jack Woods will be traveling extensively at the end of the two-week period.

You have a very busy two weeks ahead. The first set of activities to perform includes establishing the strategies for the project. The strategies are derived from the corporate or program management strategies, standards or practices that the project must comply with, and the customer's quality expectations captured in the Project Product Description

1. What are the project strategies that must be established? Briefly describe the main elements of each strategy and the outputs that result from each strategy.

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Once the strategies have been defined, it is possible to set up the project controls and create the Project Plan. These are parallel and iterative activities as each control will require time and resources to operate, which will need to be documented in the Project Plan. There may be additional controls required as products and activities are identified in the Project Plan.

It is now time to create the Project Plan (IP – Create the Project Plan). This involves planning as much of the project that is visible at this time. It is a statement of how and when the film project is going to be achieved by showing the major products, activities and resources required. This information will be required so that the Business Case can be refined and the Project Board can control the project.

A PRINCE2® plan is a document describing how, when and by whom a specific target or set of targets is to be achieved. These targets will include the project's products, timeframes, costs, quality and benefits. Each project will require an approach to planning. The philosophy behind producing plans in PRINCE2® is that the products required are identified first, and only then are the activities, dependencies and resources required to deliver those products identified. This is known as product-based planning.

1. There are seven activities within the Plans theme that describe the PRINCE2® approach to planning. Identify the seven activities and briefly describe each of them.

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It is important during the planning activities that you set up a number of key workshops with the various stakeholders, including Tiger Nicklaus, Ed Itor, Steven Spielberg, John Williams and Ida Philmalot. The purpose of these workshops is to develop the Product Breakdown Structure, Product Descriptions and finally a Product Flow Diagram. By defining the products and their quality requirements in advance everyone can visualize and understand exactly what the promotional film is to deliver, to what level of quality it must be produced and the sequence of activities required to produce it. This will prove to be a very helpful exercise so that all stakeholders are very clear as to what is to be produced.

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Activity – Product Breakdown Structure and Product Flow Diagram

1. Produce a Product Breakdown Structure for the promotional film project.

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2. Describe the composition of a Product Description, highlighting the key elements of each section.

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Week 2-3 (continued)

Once you have collaborated to produce the Product Breakdown Structure, Product Description and Product Flow Diagram, you will ask each team responsible for various parts of the film to assemble an activity plan. You will make it clear that you expect these plans to include what works must to be completed, the person (or group) responsible for the work and an estimate of how much time is required for their respective activities. They must also schedule their work according to sequence and dependencies. The schedule must include the resource allocation for each activity along with the costs of the resources to assist in the production of the planned budget.

After a number of attempts at consensus around resource allocation and the cost of these resources, you finally arrive at a final agreement from all parties. The schedule for the completed work is highlighted below:

Initiating a Project	2 weeks
Story-boarding the promotional film	3 weeks
End of writing the script (including the shooting script)	2 weeks
End of shooting the film	10 weeks
End of editing (this includes offline editing, sound production and graphics)	4 weeks
End of music score production	2 weeks
Final post-production and online editing	1 week

While you are very happy with the Product Breakdown Structure, Product Description and Product Flow Diagram, you remain concerned about some of the aspects of the project. You decide to run a workshop to identify and define some of the major risks that could derail the project.

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Activity – Risk Management

1. Identify a list of possible threats or opportunities that may affect the project.

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2. PRINCE2® identifies nine risk responses, some of which relate to threats and others relating to opportunities. Briefly describe each of the possible risk responses.

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Activity – Controls

1. Management controls work around the three areas of controlled start, controlled progress and controlled close. In the following list indicate whether the item is a Project Board control, a Project Manager control or Corporate/Program Management control. Also indicate at which controlled stage they would be seen.

	PB/PM/CP	Start/Progress/Close
Project Mandate		
Project Initiation Document (PID)		
Quality Register		
Customer's Quality Expectations		
Risk Register		
Highlight Report		
Project Tolerances		
Checkpoint Reports		
Work Package Tolerances		
Initiation Stage Plan		
Team Plans		
Next Stage Plan		
Stage Plan Tolerance		
Project Brief		
Exception Plan		
Project Product Description		
Change Control Procedures		
End Stage Assessment		
Business Case		

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2. Recommend Stages for this project based upon the proposed schedule.

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Week 2-3 (continued)

Once you have identified and analyzed the possible risks, you complete the Project Plan.

It is now possible to complete the full Business Case for the project (IP – Refine the Business Case). This involves refining the outline Business Case together with the Project Plan (costs, resource allocation, schedules, etc.) and the analysis of the risks. It also includes creating a Benefits Review Plan that consists of reviewing the Business Case and verifying understanding of the benefits expected of the project, identifying how the achievement of each benefit is to be measured along with capturing the current baseline measures and identifying the timing of benefits reviews.

You confer with Jack Woods when finalizing the Business Case as he is ultimately responsible for the Business Case in his role as Project Executive. You must ensure that the business reason for the project still exists and Jack confirms this.

Once all the controls are in place, the Project Plan is complete and the Business Case finalized, you have all the plans in place and agreement from all stakeholders to assemble the Project Initiation Document (IP – Assemble the Project Initiation Documentation). The PID encapsulates all the information needed for the Project Board to make a decision on whether to proceed with the project or to reject it. It may again be used once the project has finished to judge how successful the project has been.

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Activity – Project Initiation Document

1. Within which Directing a Project (DP) process does the Project Board approve or reject the PID?

2. What other process is invoked at this stage and what other plan (besides the PID) must the Project Board approve?

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3. What are the major components/inputs of the PID developed during the Initiating a Project? Briefly describe each of these.

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Week 2-3 (continued)

The Project Board, led by Jack Woods, is very impressed with the work and planning that has been done thus far. Jack is still very eager for the project to go ahead, especially now that he understands the time and cost implications. You are given the authority to proceed with the project as planned. The Project Board commits to the allocation of the funds for the project. However, they will only be allocated on a stage-by-stage basis upon approval of the Next Stage Plan, during "DP – Authorize a Stage or Exception Plan."

Jack's only concern is the very tight time schedule for completion of the promotional film. It must be ready for showcasing at the Premier Golf Developments Golf Challenge Tournament at the Sands Desert Golf Club in Dubai in less than six months. He sets a time tolerance of minus two weeks and a cost tolerance of plus or minus 12%.

Week 4-6

It is now time to start work on the project itself. The first activity to schedule is the completion of the storyboard outlining exactly what the promotional film will encompass. You deliberately keep this as a separate, short stage so that Jack Woods (and the Project Board) can assess the storyboard and approve it before the film begins shooting.

Since you are working with third party suppliers it is important at this juncture that formal contracts between Premier Golf Developments and PPF are established. You negotiate a Work Package with Ida Philmalot and Steven Spielberg that includes the key dates that the storyboard is to be completed (CS – Authorize Work Packages). You have set aside three weeks to complete this and they agree to provide you with a Checkpoint Report once a week. Due to the tight timeframe you set a tolerance of minus two days for this stage and outline the escalation procedure if tolerance is to be exceeded. All you expect is a phone call from PPF if the stage goes into exception. However, you do ensure that there is a procedure to keep track of this.

Every time you receive a Checkpoint Report you assess the progress against expected timeframes. You update the Stage Plan, Risk Register and Issue Register as necessary (CS – Review Work Package status and CS – Review the stage status).

At the start of week 6 you start to prepare for the End Stage Assessment.

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Activity – End Stage Assessment

1. What Controlling a Stage subprocess usually triggers the Managing Stage oundaries process?

2. What process is invoked when the Project Board performs the End Stage Assessment?

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3. Provide a summary of the Managing Stage Boundaries subprocesses that will be used during the End Stage Assessment. Include at least two inputs and two outputs for each subprocess. Assume that everything has gone to plan during the current Stage.

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Weeks 7-16

Jack Woods is very happy with the outcome of the storyboard stage and commits the funds for the next stage. This stage includes the production of the shooting script, which is produced by Steven Spielberg and his Director of Photography. The actual shooting of the film will be done on location in Australia, Europe, Dubai, South Africa and the Caribbean. The production crew has less than two weeks at each location, so once again the schedule is very tight. As a consequence you must negotiate Work Packages with Steven Spielberg and PPF. You ask for weekly Checkpoint Reports and regularly review the status of the stage against the agreed upon Stage Plan (CS – Review the stage status). Every two weeks, you provide Highlight Reports to Jack Woods (CS – Report Highlights, and DP – Give ad hoc direction).

The production stage continues without incident until week 12 when you receive a phone call from Steven Spielberg. He has just arrived on location in South Africa. He informs you that the weather in South Africa is extremely bad and is expected to last the entire seven days of the scheduled shoot. This is going to have a serious impact on the production schedule as the majority of the shoot is outdoors. You log this as an issue (CS – Capture and examine issues and risks) and then perform a quick impact analysis. You get in contact with Ida Philmalot from PPF and also contact Tiger Nicklaus to get their opinions on the consequences for the project. They both agree with you that there will be significant impact on the final delivery date of the promotional film if the South African production shoot is delayed by a week. Even though the time tolerance has not yet been exceeded, you realize that time tolerance is forecast to exceed its limit. While you have an option to take corrective action to any Project Issues (CS – Take corrective action), this only applies if the stage is forecast to stay within the tolerances set down by the Project Board. Since this is not the case you must escalate the issue (CS – Escalate issues and risks).

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Activity – Exceptions

1. Is the project now in Exception? If so, explain why this may be the case.

2. Prepare any documents for the Project Board informing them that the time tolerance for the stage has been forecast to be exceeded.

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3. The decision by the Project Board in response to an issue or escalation may lead to a number of different outcomes. What are some of the possible outcomes in relation to a Request for change, an off-specification or a problem/concern that the Project Board may decide?

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Weeks 7-16 (continued)

You produce an Exception Plan for the Project Board. During this process you update the Project Plan (SB – Update the Project Plan), Business Case (SB – Update the Business Plan) and Risk Log to reflect the new details. You present this during DP – Authorize a Stage or Exception Plan.

The Project Board decides to accept the Exception Plan and continues under that plan until the end of the stage. You receive weekly Checkpoint Reports from Steven Spielberg until the end of the production shooting. The remainder of the production schedule goes very well.

Week 17-20

The production shoot went very well besides the delay in South Africa. It is now time to start the offline editing, including the sound production and the graphics for the film. Under normal circumstances, PPF would finish the editing in-house. However, the company is unable to complete this work as all its in-house resources are utilized. PPF has made an arrangement with the independent editing company Edit R Us to complete this work. Thankfully, you have already met with the manager of Edit R Us, Ed Itor, during the SU and IP stages and all stakeholders are in agreement as to the course of action. He will perform the Team Manager role during this stage. You establish a formal contract with Edit R Us and a Work Package that outlines the work that must be done during this stage.

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Activity – Work Package

1. Outline the main tasks that the Team Manager is responsible for during Managing Product Delivery (MP).

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Week 21-22

You are very satisfied with the work done by Edit R Us and more importantly, so is the Project Board. The promotional film is almost complete. One of the final stages involves adding the music. You engage John Williams to compose the score, with assistance from PPF and Edit R Us. Once again, you complete a Work Package, clearly articulating the tolerances, management controls, and the quality criteria expected. John Williams is an extremely experienced composer and has the work completed well within tolerance and to a very high standard.

Week 23-25

You now enter into the final stage of finishing the online edit of the film to produce the final director's cut, which involves close collaboration with all stakeholders. You are quickly approaching the deadline of the project as the Premier Golf Developments Golf Challenge Tournament held at the Sands Desert Golf Club in Dubai is only four weeks away. The promotional film must be ready to be shown at this event.

At the end of week 24 you receive confirmation from PPF that the final cut of the promotional film is ready. You immediately organize a Quality Review (you have performed a number of these reviews already throughout the project).

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Activity – Quality and Quality Review

1. Describe some of the benefits of using the PRINCE2® Quality Review technique.

2. Quality in PRINCE2® is very focused on customer quality expectations and acceptance criteria. Briefly provide a definition for each of these and highlight the main differences between the two.

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3. Highlight the quality responsibilities of the following roles:
   - Team Manager
   - Project Assurance
   - Senior Supplier
   - Senior User
   - Project Manager

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4. Outline the steps involved in undertaking a Quality Review.

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5. There are four specific roles involved in the quality review procedure. Outline the main tasks associated with each role and the major responsibilities of each role.

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Week 23-25 (continued)

During the quality review process it is determined that the opening and closing credits do not meet the quality criteria. Thankfully, this was recognized within time tolerance and is corrected by PPF in less than two days.

After the issues with the credits are corrected and formally signed off the quality review is finalized. During the Review the Stage Status process you recognize that you have come to the end of the final stage of the project. You make a recommendation to the Project Board that the project resources and the support services can be disbanded. The Project Board confirms your recommendation. It is time to trigger the formal closure of the project. You formally notify all relevant parties of the project closure. This allows any outstanding payments to be collected and distributed.

You expect the formal closure process to proceed fairly smoothly as PPF, Edit R Us and John Williams have all had accurate and detailed Product Descriptions to work from and have diligently adhered to these. This has enabled the film to match the Customer Quality Expectations and the Acceptance Criteria without any surprises. Jack Woods, through his role as Project Executive, has received project status briefings throughout the process, even though he has been traveling extensively.

Before closure of the project can be recommended, you must ensure that all expected results have been achieved and delivered (CP – Prepare planned close). This involves updating the Project Plan with actuals from the final stage and requesting a Product Status Account from Project Support to ensure that the project's products have been approved by the authorities identified in their Product Descriptions and that they meet all the quality criteria, or are covered by approved concessions. It is also important to confirm that the project has delivered what is defined in the Project Product Description, and that the acceptance criteria have been met. Jack Woods is very happy with the finished promotional film and is delighted that it actually exceeds his expectations. PPF is also very happy with the product that they delivered, despite its reservations at the beginning of the project about the lack of internal resources and the need to outsource the editing and music. Finally, you go to Jack Woods and seek approval to release the resources.

It is now time to formally hand over the product (CP – Hand over products). You prepare follow-up action recommendations to include any uncompleted work, issues and risks that the promotional film project may require. You also check that the Benefits Review Plan includes post-project activities to confirm benefits that cannot be measured until after the promotional film has been shown. Finally, you confirm acceptance for the film with Jack Woods and transfer the responsibility for the film (ensuring that you update the products' Configuration Item Records at this time).

Finally, you evaluate the project (CP – Evaluate the project). You write an End Project Report and prepare a Lessons Report. The Lessons Report should include a review of what went well and what could have been improved.

Once you have confirmed that the project can be closed, a closure recommendation should be raised to the Project Board (DP – Authorize project closure).

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1. The Project Board, in Authorize project closure, must assess the original and current versions of the Project Initiation Documentation and Project Plan. What are they trying to understand by undertaking this activity?

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Instructor Notes

2. Describe the activities that are undertaken during DP – Authorize project closure.

Jack Woods is delighted with the end product of the project: the promotional film. Additionally, he impressed with the way that you managed the project to such a successful outcome.

Congratulations!

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Final Assessment

The PRINCE2® process model is made up of seven main processes: Starting Up a Project (SU), Initiating a Project (IP), Directing a Project (DP), Controlling a Stage (CS), Managing Project Delivery (MP), Managing a Stage Boundary (SB) and Closing a Project (CP). Within each of these major processes are subprocesses that may link to other subprocesses within/external-to their parent process.

Produce a summarized, simple process diagram for PRINCE2® that demonstrates the end-to-end sequence through a PRINCE2® project. Provide a brief description for each step in the Process diagram.

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Sample Exam

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The Foundation Examination

Sample Paper 1

January 2013 Release

Multiple Choice

1-hour paper

Instructions

1. **All 75 questions should be attempted.**
2. **5 of the 75 questions are under trial and will not contribute to your overall score. There is no indication of which questions are under trial.**
3. **All answers are to be marked on the answer sheet provided.**
4. **Please use a pencil and NOT ink to mark your answers on the answer sheet provided. There is only one correct answer per question.**
5. **You have 1 hour for this paper.**
6. **You must get 35 or more correct to pass.**

Candidate Number: .....

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1 Which is one of the six aspects of project performance that needs to be managed?

a) Accuracy
b) Reliability
c) Scope
d) Ease of use

2 What theme ensures the project is desirable, viable and achievable?

a) Organization
b) Progress
c) Business Case
d) Risk

3 What process is triggered by the Project Manager's request to initiate a project?

a) Starting up a Project
b) Initiating a Project
c) Directing a Project
d) Managing a Stage Boundary

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4 The purpose of what theme is to establish mechanisms to monitor and compare actual achievements against those planned?

a) Business Case
b) Change
c) Progress
d) Quality

5 Which is an objective of the Closing a Project process?

a) Check that all the project's products have been accepted by the users
b) Prepare for the final stage of the project
c) Capture the customer's quality expectations
d) Ensure that all benefits have been achieved

6 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.

a) Work Packages
b) Exception Report
c) Stage Plan
d) Project Brief

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7 What theme provides information on what is required, how it will be achieved and by whom?

a) Organization
b) Plans
c) Business Case
d) Quality

8 Which is recommended as a possible risk response type for an opportunity?

a) Reduce
b) Transfer
c) Reject
d) Fallback

9 Basing projects on a 'management by exception' principle provides which benefit?

a) Promotes consistency of project work and staff mobility
b) Provides a common language
c) Clarity of what a project will deliver, why, when and by whom
d) Efficient and cost-effective use of management time

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10 Identify the missing words in the following sentence.

The purpose of the [?] process is to establish solid foundations for the project, enabling the organization to understand the work that needs to be done to deliver the project's products.

a) Initiating a Project
b) Starting up a Project
c) Directing a Project
d) Managing a Stage Boundary

11 Which is a purpose of the Managing Product Delivery process?

a) Controls the link between the Project Manager and the Team Manager(s)
b) Tracks the progress of a stage with the help of Checkpoint Reports
c) Provides a link between the work of the Project Manager and the Project Board
d) Maintains a focus on the delivery of benefits throughout the stage

12 Which role is responsible for authorizing and monitoring work to be completed and for taking corrective action within a stage?

a) Project Manager
b) Project Support
c) Project Assurance
d) Team Manager

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13 Which fact is true of Project Assurance but not quality assurance?

a) Responsible for monitoring the conduct of the project
b) Independent of the Project Manager
c) Appointed as part of the project management team
d) Responsible for reviewing the project for compliance with corporate standards

14 Which is **NOT** a characteristic of a project?

a) Has a higher degree of risk than business as usual
b) Involves people with different skills introducing a change that will impact others outside of the team
c) Has a lifespan that usually covers the delivery of the desired outcomes and the realization of all the expected benefits
d) A temporary management structure created for the implementation of business products

15 What product forms the 'contract' between the Project Manager and the Project Board for the project?

a) Project Plan
b) Project Product Description
c) Project Initiation Documentation
d) Project Brief

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16 Which is an objective of the Managing a Stage Boundary process?

a) Enable the Project Board to commit resources and expenditure required for the initiation stage
b) Review and, if necessary, update the Project Initiation Documentation
c) Provides a break between those managing the project from those creating products
d) Ensure a periodic review is held to approve the products created within the completed stage

17 How should a Team Manager escalate a suggestion for an improvement to a product?

a) Include details in a Checkpoint Report
b) Include details in a Highlight Report
c) Raise an issue
d) Raise an Exception Report

18 Which is a purpose of the Closing a Project process?

a) Define the procedure for handing over products
b) Provide a fixed point at which acceptance for the project product is confirmed
c) Define formal requirements for the acceptance, execution and delivery of project work
d) Confirm all project benefits have been achieved

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19 Which is an objective of the Starting up a Project process?

a) Confirm there are no known restrictions that would prevent the project from being delivered
b) Ensure all Team Managers understand their responsibilities
c) Get approval for the Project Plan from corporate or programme management
d) Prepare the Project Initiation Documentation for authority to initiate the project

20 What process is used to provide an interface with corporate or programme management?

a) Managing Product Delivery
b) Directing a Project
c) Controlling a Stage
d) Managing a Stage Boundary

21 Which is **NOT** a purpose of an End Project Report?

a) Compare project achievements against what was originally agreed
b) Record information that will help future projects
c) Prompt the Project Board to authorize the next stage
d) Pass on details of any ongoing risks for those who will maintain and operate the finished product

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22 Identify the missing word(s) in the following sentence.

If a baselined product requires modification, the [?] procedure should be applied in order to manage the modification.

a) risk management
b) exception
c) issue and change control
d) quality control

23 Which is a purpose of a Project Brief?

a) Describe an agreed position from which the project can be started
b) Describe the information needs of the project's stakeholders
c) Describe the configuration management that will be used by the project
d) Describe the reporting requirements of the Project Board

24 Which is one of the four integrated elements within PRINCE2?

a) Quality
b) Role descriptions
c) Processes
d) Product Descriptions

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25 Which of the following statements apply to a Stage Plan?

1. Is produced with the knowledge of earlier stages
2. Provides the basis for control by the Project Board
3. Is produced close to the time when the planned events will take place
4. Provides the basis for day-to-day control by the Project Manager

a) 1, 2, 3
b) 1, 2, 4
c) 1, 3, 4
d) 2, 3, 4

26 Identify the missing words in the following sentence.

Because the Project Board receives regular [?], there is no need for regular progress meetings.

a) End Stage Reports
b) Checkpoint Reports
c) Exception Reports
d) Highlight Reports

27 Which is a benefit of using the product-based planning technique?

a) All the required products of the project will be delivered to time and to cost
b) Clearly shows how long a project will take
c) It removes the need for activity-based planning
d) Reduces the risk of incorrectly scoping the project

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28 Which of the following statements about the purpose of the Risk theme are true?

1. The Risk theme identifies how to manage risks at the corporate or programme level of an organization
2. The Risk theme explains the risk management activities to use to improve the chances of a project delivering its objectives

a) Only 1 is true
b) Only 2 is true
c) Both 1 and 2 are true
d) Neither 1 or 2 are true

29 What project management team role can authorize the premature closure of a project?

a) Project Manager
b) Project Board
c) Project Support
d) Project Assurance

30 Which is a purpose of the Organization theme?

a) Set the tolerance on the cost of resources
b) Provide project management training to those working within the project
c) Define the structure of accountability and responsibilities on the project
d) Implement the controls required to permit management by exception

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31 Which process enables the Project Board to exercise overall control of a project?

a) Directing a Project
b) Controlling a Stage
c) Starting up a Project
d) Initiating a Project

32 Which is the first plan to be created?

a) Project Plan
b) Initiation Stage Plan
c) Team Plan
d) Exception Plan

33 What is the PRINCE2 definition of a project?

a) A number of activities managed as a unit
b) A unique undertaking that requires organization and resources
c) An element of work that a Project Manager agrees to deliver
d) A temporary organization created for the purpose of delivering business products

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34 Which is **NOT** an objective of the Managing Product Delivery process?

a) Ensure suppliers understand what is expected of them
b) Ensure products of appropriate quality are delivered
c) Ensure the Project Board is kept informed of progress on the products
d) Ensure work for the team is agreed with the Project Manager

35 Which is an objective of the quality review technique?

a) Involve key interested parties to promote wider acceptance of the product
b) Develop and improve the specification of a product through continuous assessment
c) Agree any changes required to the baselined product
d) Update the status information in the Configuration Item Record when a product is signed-off

36 Which is a purpose of the Communication Management Strategy?

a) Identify how and by whom the project's products will be controlled and protected
b) Define the method of communication between the project and its stakeholders
c) Define the structure of responsibilities and accountabilities in support of effective decision making in a project
d) Identify the communications required from the Team Manager(s) to the Project Board

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37 Identify the missing words in the following sentence.

Any requests for change, which require Project Board approval, should be recorded in the [?] and monitored by the Project Manager

a) Product Description
b) Issue Register
c) Configuration Item Record
d) Quality Register

38 Which is a recommended quality review team role?

a) Senior User
b) Presenter
c) Project Support
d) Project Assurance

39 If a product fails its quality check, what product should always be updated?

a) Risk Register
b) Issue Register
c) Quality Register
d) Lessons Log

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40 In what product should the Project Manager enter the details of issues that are resolved without using the formal issue and change control procedure?

a) Stage Plan
b) Daily Log
c) Configuration Item Record
d) Checkpoint Report

41 Which of the PRINCE2 principles uses tolerances to establish the limits of delegated authority?

a) Manage by stages
b) Tailor to suit the project environment
c) Focus on products
d) Manage by exception

42 Which is a purpose of the Starting up a Project process?

a) Ensuring that the prerequisites for initiating the project are in place
b) Establishing that the Project Plan can meet the required target dates
c) Creating the Project Initiation Documentation so the project can be initiated
d) Confirming to corporate or programme management that quality expectations will be met

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43 When should the project management team be reviewed?

a) As and when new stakeholders are identified
b) When planning a quality review
c) When planning the next stage
d) During product creation

44 Which is **NOT** a responsibility of the Project Board?

a) Allocate tolerances to specialist teams
b) Transfer ownership of the Benefits Review Plan to corporate or programme management
c) Approve the Project Product Description
d) Confirm the required frequency of Highlight Reports

45 Who sets the project tolerances?

a) Project Board
b) Corporate/programme management
c) Executive
d) Project Manager

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46 PRINCE2 plans are carefully designed to meet the needs of the different levels in the project organization. Why is this a benefit?

a) Ensures stakeholders are properly represented
b) Improves communication and control
c) Ensures that one plan will meet everyone's needs
d) Reduces the levels of management required in the project organization

47 What levels of plan are recommended by PRINCE2?

a) Project Plan
b) Project Plan and Stage Plan
c) Project Plan, Stage Plan and Team Plan
d) Project Plan, Stage Plan, Team Plan and Exception Plan

48 Which of the following are described in a Product Description?

1. The component parts of the product
2. The products that are derived from this product
3. The skills needed to create the product
4. The method required to check the product

a) 1, 2, 3
b) 1, 2, 4
c) 1, 3, 4
d) 2, 3, 4

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49 Which of the following is funded from a change budget?

a) All changes to the baseline cost of the project
b) Increased tolerance required by the Project Manager to complete a stage
c) Changes to approved baselined products
d) The correction of an off-specification

50 What is risk appetite?

a) Part of the project budget, used to pay for any additional activities required to manage risks
b) The funds the Project Board is willing to spend on the management of risk
c) Permissible deviation from planned expenditure without the need to escalate to the next higher authority
d) An organization's attitude towards risk-taking

51 Which role represents the 'delivering' level on the project management team?

a) Project Board
b) Project Manager
c) Team Manager
d) Project Support

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52 Which is a purpose of the Benefits Review Plan?

a) Document the justification for the undertaking of a project
b) Describe only residual benefits and those that could not be achieved during the lifecycle of the project
c) Provide a schedule for measuring the achievement of benefits
d) Provide the reasons for the project, for entry into the Business Case

53 Which is a purpose of a Configuration Item Record?

a) Provide a summary of the status of all products at any one time
b) Provide any details of important links between configuration items
c) Support the creation of the project product breakdown structure
d) Include an analysis of an issue or risk which caused the product to change

54 Which is **NOT** a purpose of the Controlling a Stage process?

a) Take corrective actions to control deviations from the Stage Plan
b) Recommend the tolerances for the next stage
c) Report progress to the Project Board
d) Assign work to be done

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55 Which is a true statement regarding stages?

a) A project can be scheduled without management stages
b) There can be several management stages within a technical stage
c) Several management stages can be scheduled to run concurrently
d) Technical stages and management stages should always end together

56 Which is a purpose of the Risk Management Strategy?

a) Defines the techniques to be used when assessing project risks
b) Summarizes exposure to strategic, programme, project and operational risks
c) Recommends responses for each of the project risks
d) Identifies suitable risk owners for each of the project risks

57 Which role can the Project Manager also perform?

a) Executive
b) Project Assurance
c) Change Authority
d) Senior User

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58 What are the three recommended types of issue?

a) Off-specification, request for change and concession
b) Off-specification, request for change and problem/concern
c) Request for change, problem/concern, and Issue Report
d) Request for change, Issue Report and risk

59 Which of the following is established within the Initiating a Project process?

a) The various ways in which the project can be delivered
b) Those who require project information have been identified
c) All of the information to develop the Project Brief is available
d) Any constraints which could affect the project have been removed

60 What term is used to describe when a risk might occur?

a) Impact
b) Proximity
c) Probability
d) Evaluate

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61 Within what process are Team Plans produced?

a) Initiating a Project
b) Controlling a Stage
c) Managing a Stage Boundary
d) Managing Product Delivery

62 Identify the missing words in the following sentence.

If a Project Manager has the appropriate specialist skills and knowledge, they may also perform the role of [?] on the project.

a) Senior Supplier(s)
b) Team Manager(s)
c) Project Assurance
d) Senior User(s)

63 Which statement is true for project stakeholders?

a) Some have decision-making authority within the project environment
b) All are external to the corporate organization
c) All are internal to the project management team structure
d) None have decision-making authority within the project environment

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64 Which of the following is funded from a risk budget?

a) Potential changes that may be required as the project progresses
b) Shortfall in estimating the development costs of the project's products
c) Additional activities to reduce, avoid, fallback, transfer, share or enhance project risks
d) Production of a Risk Management Strategy

65 Which is **NOT** an objective of the Controlling a Stage process?

a) Produce the Stage Plan for the next stage
b) Focus attention on delivery of the stage's products
c) Escalate threats to tolerances
d) Keep issues and risks under control

66 Which of the following describes an output?

a) Any of the project's specialist products
b) The result of the change derived from using the project's products
c) The measurable improvement resulting from an outcome
d) A negative outcome

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67 Which is a purpose of the Quality theme?

a) Define the way in which the project will ensure that all products of the project are fit for purpose
b) Define the procedures and responsibilities for the creation, maintenance and control of project products
c) Establish mechanisms to judge whether the project remains desirable and achievable
d) Enable the assessment of continuing project viability

68 Which factor should influence the length of a management stage?

a) Frequency of Highlight Reports
b) The level of project risk
c) Availability of the Project Board
d) Requirement of a specialist team for an element of the development work

69 After the first stage, when are the Stage Plans for further stages produced?

a) Near the end of the current stage
b) After completion of the current stage
c) When creating the Project Plan
d) At the start of the initiation stage

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70 What is a risk cause?

a) Negative consequence of a threat occurring
b) Explanation of the uncertainty which, should it occur, would create a problem
c) Positive consequence of an exploited opportunity
d) A known situation which creates uncertainty

71 Which product is a time-driven control?

a) End Stage Report
b) Exception Report
c) Checkpoint Report
d) Lessons Report

72 Which is a purpose of the Project Product Description?

a) Define the quality checks that will be used for the project's products
b) Explain what the project must handover to achieve customer acceptance
c) Confirm the delivery timescales for the project's products
d) Document the Project Manager's responsibilities for delivering the project's products

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73 Which is a purpose of the Change Authority?

a) Determine the change budget for a project
b) Assess the impact of all requests for change
c) Reduce the number of requests for change that need to be escalated to the Project Board
d) Allow the Project Board to delegate the approval of all risks and Issue Reports

74 To which role does a Team Manager report an exception situation?

a) Project Manager
b) Project Board
c) Project Assurance
d) Project Support

75 What is the first step within the recommended risk management procedure?

a) Assess
b) Identify
c) Implement
d) Plan

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The Foundation Examination Answer Booklet

Use an **HB PENCIL** and only mark the paper where directed.

Enter your candidate number in the space provided at the bottom of the page and also in the 6 boxes on the right. Fill in the associated ovals next to the 6 boxes, e.g.for candidate 597, fill ovals 000597.

Candidate Number

☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+

Select your answers by filling in the appropriate ovals. Ovals must be darker than the grey square at the top of the page and filled between 80% - 100% as follows:

Do **NOT** use the following marks as they may be ignored.

| | | | | | | | | | | |

Exam Experience Questionnaire

1. Did you have sufficient time to complete the exam?

   A: Yes B: No

2. How much of your exam time was left?

   A: 0 - 15 minutes
   B: 16 - 30 minutes
   C: more than 30 minutes

3. How much additional time did you need?

   A: 0 - 15 minutes
   B: 16 - 30 minutes
   C: more than 30 minutes

4. Was the exam available in your first language?

   A: Yes
   B: No
   C: I don't know

5. Did you take the exam in your first language?

   A: Yes B: No

6. Did you take the exam in your business language?

   A: Yes B: No

7. Did you sit a dual language paper?

   A: Yes B: No

8. Were you given extra time to take the exam?

   A: Yes B: No

1.	a	b	
2.	a	b	c
3.	a	b	c
4.	a	b	c
5.	a	b	
6.	a	b	
7.	a	b	
8.	a	b	

PRINCE2 Foundation Examination Answer Key

Week ending:

Exam Paper:GBP210FExam-121214Paper1

Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section
1	C	OV0101	1.5.2	31	A	DP0201	13.1	61	D	MP0203	16.3
2	C	BC0201	4.1.	32	B	PL0202.2	7.2.3	62	B	OR0203.5	5.3.2.7
3	C	DP0203	13.3	33	D	OV0102	1.3	63	A	OR0204	5.2.5
4	C	PG0202	10.1	34	C	MP0202	16.2	64	C	RK0203	8.3.6
5	A	CP0202	18.2	35	A	QU0203	6.3.2.1	65	A	CS0202	15.2
6	C	SB0201	17.1	36	B	OR0205	Appendix A	66	A	BC0101	4.2.2
7	B	PL0201	7.1	37	B	CH0203.4	Appendix A	67	A	QU0201	6.1
8	C	RK0102	Table 8.2	38	B	QU0101	6.3.2.1	68	B	PG0204	10.3.2.2
9	D	OV0202	1.7	39	C	QU0206.3	6.3.1.6 / Appendix A	69	A	SB0203	17.2
10	A	IP0201	14.1	40	B	PG0206.1	Appendix A	70	D	RK0205	8.3.5.1
11	A	MP0201	16.1	41	D	OV0202	2.5	71	C	PG0201	10.3.3
12	A	CS0203	15.3	42	A	SU0201	12.1	72	B	QU0206.1	Appendix A
13	C	QU0202	6.2.6	43	C	SB0202	17.2	73	C	OR0203.4	5.3.2.4 / 9.3.1.1
14	C	OV0203	1.3	44	A	OR0203.1	15.4.1	74	A	PG0101	10.3.1.1
15	C	IP0204	Appendix A	45	B	PG0205	10.3.1.1	75	B	RK0202	8.3.5
16	B	SB0202	17.2	46	B	OV0201	1.7				
17	C	CH0204	9.3.3	47	C	PL0101	7.2.3				
18	B	CP0201	18.1	48	C	QU0206.2	Appendix A				
19	A	SU0202	12.2	49	C	CH0202	9.3.1.1				
20	B	DP0202	13.2 / 13.3	50	D	RK0207	8.3.2				
21	C	PG0207.2	Appendix A	51	C	OR0202	5.3.1				
22	C	CH0201	9.1	52	C	BC0202.2	Appendix A				
23	A	SU0204.1	Appendix A	53	B	CH0203.2	Appendix A				
24	C	OV0103	1.5.3	54	B	CS0201	15.1				
25	C	PL0202.2	7.2.5	55	B	PG0203	10.3.2.3				
26	D	PG0208.2	Appendix A	56	A	RK0206.1	Appendix A				
27	D	PL0203	7.3.3	57	C	OR0203.2	5.3.2.4				
28	B	RK0201	8.1	58	B	CH0101	Table 9.1				
29	B	CP0203	18.4.2	59	B	IP0202	14.2				
30	C	OR0201	5.1	60	B	RK0204	8.3.5.2				

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The Foundation Examination

Rationale

Sample Paper 1

January 2013 Release

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1 Syllabus Topic:OV0101 - Overview and Principles

Correct Answer:C

Objective:LL1 - Recall the six aspects of project performance to be managed.

a) Incorrect. May be an acceptance criterion, but this is NOT one of the six aspects of project performance that need to be managed. The six aspects are cost, timescale, scope, quality, risk and benefits. Ref 1.5.2

b) Incorrect. May be an acceptance criterion, but this is NOT one of the six aspects of project performance that need to be managed. The six aspects are cost, timescale, scope, quality, risk and benefits. Ref 1.5.2

c) Correct. One of the six aspects, together with costs, timescales, quality, risk and benefits. Ref 1.5.2

d) Incorrect. May be an acceptance criterion, but this is NOT one of the six aspects of project performance that need to be managed. The six aspects are cost, timescale, scope, quality, risk and benefits. Ref 1.5.2

2 Syllabus Topic:BC0201 - Business Case Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Business Case theme.

a) Incorrect. The Organization theme defines and establishes the project's structure of accountability and responsibilities. Ref 5.1

b) Incorrect. The Progress theme establishes mechanisms to monitor and compare actual achievements against those planned and provides a forecast for the project's continued viability. Ref 10.1

c) Correct. The Business Case theme drives decision-making throughout the project and is used to assess if the project remains viable and benefits can be realized. Ref 4.1

d) Incorrect. The Risk theme identifies, assesses and controls uncertainties about the project. Ref 8.1

3 Syllabus Topic:DP0203 - Directing a Project Process

Correct Answer:C

Objective:LL2 - Understand the context of the Directing a Project process.

a) Incorrect. The Starting up a Project process prepares for the authorization of the initiation stage. The request to initiate the project is an action carried out during the Starting up a Project process. Ref 12.1

b) Incorrect. The Initiating a Project process prepares documentation to be submitted to the Project Board for project authorization, but the actual authorization comes from the Directing a Project process. Ref 14.3

c) Correct. Only the Project Board can authorize project initiation, and its activities are covered in the Directing a Project process. Ref 13.3

d) Incorrect. The Managing a Stage Boundary process prepares material to request authorization of a stage from the Project Board. Ref 17.1

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4 Syllabus Topic:PG0202 - Progress Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Progress theme.

a) Incorrect. The purpose of the Business Case theme is to establish mechanisms to judge whether the project is desirable, viable and achievable as a means to support decision making in its investment. Ref 4.1

b) Incorrect. The purpose of the Change theme is to identify, assess and control any potential and approved changes to the baseline. Ref 9.1

c) Correct. The purpose of the Progress 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. Ref 10.1

d) Incorrect. The purpose of the Quality theme is to define and implement the means by which the project will verify that products are fit for purpose. Ref 6.1

5 Syllabus Topic:CP0202 - Closing a Project Process

Correct Answer:A

Objective:LL2 - Understand the objectives of the Closing a Project process.

a) Correct. To verify user acceptance of a project's products. Ref 18.2

b) Incorrect. The Closing a Project process occurs **during** the final stage, which is prepared during the Managing a Stage Boundary process, as for any other stage, except for the initiation stage. Ref 18.3

c) Incorrect. The customer's quality expectations are defined and agreed early in the Starting up a Project process. The expectations are captured in discussions with the customer (business and user stakeholders) and then refined for inclusion in the Project Product Description. Ref 12.4.4

d) Incorrect. NOT all benefits may have been achieved before the project closes. Some will be measured post-project as part of a benefits review. Ref 18.4.3

6 Syllabus Topic:SB0201 - Managing a Stage Boundary Process

Correct Answer:C

Objective:LL2 - Understand the purpose of the Managing a Stage Boundary process.

a) Incorrect. Work Packages are authorized by the Project Manager during the Controlling a Stage process. Ref 15.4.1

b) Incorrect. An Exception Report may trigger the Managing a Stage Boundary process if an Exception Plan is required. Ref 15.4.7

c) Correct. A purpose of the Managing a Stage Boundary process is to provide sufficient information to the Project Board, so that it can review the success of the current stage and approve the next Stage Plan. Ref 17.1

d) Incorrect. The Project Brief is approved by the Project Board following the Starting up a Project process, and before the Initiating a Project process. Ref 13.4.1

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7 Syllabus Topic:PL0201 - Plans Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Plans theme.

a) Incorrect. The purpose of the Organization theme is to define and establish the project's structure of accountabilities and responsibilities. Ref. 5.1

b) Correct. Planning provides all personnel in a project with information on what is required, how it will be achieved and by whom, using what specialist equipment and resources, when events will happen and whether targets are achievable. Ref 7.1

c) Incorrect. The Business Case is used to document the justification for undertaking the project. Ref. 4.1

d) Incorrect. The purpose of the Quality theme is to define and implement the means by which the project will verify that products are fit-for-purpose. Ref. 6.1

8 Syllabus Topic:RK0102 - Risk Theme

Correct Answer:C

Objective:LL1 - Recall the risk response types and whether they are used to respond to a threat or an opportunity.

a) Incorrect. Reduce is a proactive action taken to reduce the probability or the impact of a threat occurring, by performing some form of control. Ref Table 8.2

b) Incorrect. Transfer is where a third party takes on responsibility for some of the financial impact of a threat. Ref Table 8.2

c) Correct. Reject is where a conscious and deliberate decision is taken NOT to exploit or enhance an opportunity, having discerned that this is more economical than to attempt an opportunity response action. Ref Table 8.2

d) Incorrect. Putting in place a fallback plan for the actions that will be taken to reduce the impact of a threat should it occur. This is a reactive form of reduce response which has no impact on likelihood. Ref Table 8.2

9 Syllabus Topic:OV0202 - Overview and Principles

Correct Answer:D

Objective:LL2 - Understand the seven principles.

a) Incorrect. Consistency of project work is a benefit derived from the use of PRINCE2 project documentation and processes. It facilitates staff mobility between projects and reduces the impact of personnel changes/handovers. Ref 1.7

b) Incorrect. PRINCE2 is widely recognized and understood, and therefore provides a common vocabulary for project participants. A common vocabulary is NOT a benefit provided by the management by exception principle. Ref 1.7 / 2.5

c) Incorrect. A PRINCE2 project's product focus provides the benefit of clarifying (for all parties) what a project will deliver, why, when, by whom and for whom. Ref 1.7

d) Correct. PRINCE2 is based on a 'management by exception' framework, providing for efficient and economic use of management time (whether at corporate, programme, Project Board or project management level). It reduces their time burden without removing their control by ensuring decisions are made at the right level in the organization. Ref 1.7 / 2.5

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10 Syllabus Topic:IP0201 - Initiating a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Initiating a Project process.

a) Correct. The purpose of the Initiating a Project process is to establish solid foundations for the project, enabling the organization to understand the work that needs to be done to deliver the project's products before committing to a significant spend. Ref 14.1

b) Incorrect. The purpose of the Starting up a Project process is to ensure that the prerequisites for initiating a project are in place by answering the question: do we have a viable and worthwhile project? Ref 12.1

c) Incorrect. The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager. Ref 13.1

d) Incorrect. The purpose of the Managing a Stage Boundary process is to enable the Project Board to be provided with sufficient information by the Project Manager so that it can review the success of the current stage, approve the next Stage Plan, review the updated Project Plan, and confirm continued business justification and acceptability of the risks. Ref 17.1

11 Syllabus Topic:MP0201 - Managing Product Delivery Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Managing Product Delivery process.

a) Correct. The Managing Product Delivery process places formal requirements on accepting, executing and delivering project work. Ref 16.1

b) Incorrect. This is the role of the Project Manager in the Controlling a Stage process. Ref 15.4.4

c) Incorrect. This is an objective of the Controlling a Stage process. Ref 15.1

d) Incorrect. This is the role of the Project Manager in the Controlling a Stage process. Ref 15.2

12 Syllabus Topic:CS0203 - Controlling a Stage Process

Correct Answer:A

Objective:LL2 - Understand the context of the Controlling a Stage process.

a) Correct. The Project Manager is responsible for controlling the day-to-day activities of the stage. Ref 15.3

b) Incorrect. Project Support provides administrative support to the Project Manager, but is NOT responsible for authorizing the work. Ref 5.3.2.8

c) Incorrect. Project Assurance reviews the activities of the stage, but is NOT responsible for authorizing the work. Ref 5.3.2.3

d) Incorrect. The Team Manager agrees work with the Project Manager to be delivered as part of a Work Package. Ref 5.3.2.7

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13 Syllabus Topic:QU0202 - Quality Theme

Correct Answer:C

Objective:LL2 - Understand the difference between quality assurance and Project Assurance.

a) Incorrect. Both Project Assurance and quality assurance are responsible for monitoring the project's conduct. Project Assurance reports to the project's stakeholders. Quality assurance reports to the wider community. Ref 6.2.6

b) Incorrect. They are both independent of the Project Manager. Ref 6.2.6

c) Correct. Quality assurance is a function within the organization. Project Assurance is a temporary role within the project management team. Ref 6.2.6

d) Incorrect. Both Project Assurance and quality assurance are responsible for assuring that applicable standards are being used. Ref 6.2.6

14 Syllabus Topic:OV0203 - Overview and Principles

Correct Answer:C

Objective:LL2 - Understand the characteristics of a project.

a) Incorrect. Projects introduce threats and opportunities over and above those we typically encounter in the course of stable business operations. Projects are more risky. Ref 1.3

b) Incorrect. The project environment involves a temporary team of people with different skills working together to introduce change within the business environment. Ref 1.3

c) Correct. These are characteristics of a programme. Whilst projects do deliver outcomes and benefits, many will NOT be realized until after the project has closed. Ref 19.4

d) Incorrect. Projects are temporary in nature. Once the change has been implemented the need for the project is removed. Ref 1.3

15 Syllabus Topic:IP0204 - Initiating a Project Process

Correct Answer:C

Objective:LL2 - Understand the purpose of the Project Initiation Documentation.

a) Incorrect. A Project Plan states how and when the objectives will be achieved but is NOT an agreement on what is to be delivered. That is defined in the Project Initiation Documentation. Ref A.16

b) Incorrect. The Project Product Description is used in the Closing a Project process to verify that the project has delivered what was expected, but is NOT a contract between the Project Manager and the Project Board. Ref A.21

c) Correct. The Project Initiation Documentation forms the basis for the management and overall success of the project and as such is the 'contract' between the Project Manager and the Project Board. Ref A.20

d) Incorrect. Information in the Project Brief is NOT confirmed or detailed enough to form a firm agreement and, after use in creating the Project Initiation Documentation, it is NOT maintained. Ref A.19

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16 Syllabus Topic:SB0202 - Managing a Stage Boundary Process

Correct Answer:B

Objective:LL2 - Understand the objectives of the Managing a Stage Boundary process.

a) Incorrect. Commencement of the initiation stage is approved by the Project Board during the Directing a Project process, at the end of start up. This is NOT a stage boundary. Ref 13.4.1

b) Correct. Review and, if necessary, update the Project Initiation Documentation (in particular the Business Case, Project Plan, project approach, strategies, project management team structure and role descriptions). Ref 17.2

c) Incorrect. It is the Managing Product Delivery process that provides the break between the Project Manager and the teams delivering the products. Ref 16.1

d) Incorrect. Products are assessed and approved as and when they are completed during the Managing Product Delivery process. These quality checks are NOT left until the end of the stage. Ref 16.4.2

17 Syllabus Topic:CH0204 - Change Theme

Correct Answer:C

Objective:LL2 - Understand the recommended steps in the issue and change control procedure.

a) Incorrect. This is a request for change. Although a Team Manager may refer to it in a Checkpoint Report it is NOT the vehicle to deal with a change. Ref 9.3.3

b) Incorrect. The Team Manager does NOT produce Highlight Reports. Ref 10.3.3.4

c) Correct. A Team Manager will raise it as an issue, but it is the Project Manager who determines whether this should be dealt with as a formal Issue Report. Ref 9.3.3

d) Incorrect. The Team Manager does NOT raise Exception Reports. Ref 10.3.4

18 Syllabus Topic:CP0201 - Closing a Project Process

Correct Answer:B

Objective:LL2 - Understand the purpose of the Closing a Project process.

a) Incorrect. This is done in the Initiating a Project process as part of defining the Configuration Management Strategy. Ref 14.4.2

b) Correct. This is a purpose of the Closing a Project process. Ref 18.1

c) Incorrect. This is a purpose of the Managing Product Delivery process. Ref 16.1

d) Incorrect. NOT all project benefits will have been achieved at project closure. Ref 18.4.4

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19 Syllabus Topic:SU0202 - Starting up a Project Process

Correct Answer:A

Objective:LL2 - Understand the objectives of the Starting up a Project process.

a) Correct. An objective of the Starting up a Project process is to ensure time is NOT wasted on initiating any projects that are based on unsound constraints etc. Ref 12.2

b) Incorrect. The project management team is designed during the Starting up a Project process, but the actual Team Managers may NOT be appointed until the Managing a Stage Boundary process. Ref 12.4.3

c) Incorrect. The Project Plan is created in the Initiating a Project process and approved by the Project Board in the Directing a Project process. Ref 14.4.6 / 13.4.2

d) Incorrect. The Project Initiation Documentation is prepared in the Initiating a Project process. Ref 14.3

20 Syllabus Topic:DP0202 - Directing a Project Process

Correct Answer:B

Objective:LL2 - Understand the objectives of the Directing a Project process.

a) Incorrect. This process is used by Team Manager(s) to communicate with the Project Manager within the Controlling a Stage process. Ref 16.1

b) Correct. This process ensures that corporate or programme management has an interface to the project. It is a key role for the Project Board to engage with corporate or programme management and to act as a communication channel. Ref 13.2 / 13.3

c) Incorrect. The Project Manager should report to and receive information from the Project Board within this process. Ref 15.1

d) Incorrect. Products from this process will be provided to the Project Board in the Directing a Project process for it to communicate with corporate/programme management. Ref 17.1

21 Syllabus Topic:PG0207.2 - Progress Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of an End Project Report.

a) Incorrect. The End Project Report includes a comparison of project performance against the original Project Initiation Documentation. Ref A.8.1

b) Incorrect. An End Project Report includes the Lessons Report which will help future projects by their learning from these lessons. Ref A.8.1

c) Correct. The Project Board would use the End Stage Report in tandem with the next Stage Plan to decide what action to take with the project: for example, authorize the next stage, amend the project scope, or stop the project. Ref A.9.1

d) Incorrect. The End Project Report includes any follow-on action recommendations, which will contain any risks for the attention of those who will maintain and operate the finished product. Ref A.8.1

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22 Syllabus Topic:CH0201 - Change Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Change theme.

a) Incorrect. This procedure assesses and controls uncertainty, NOT change. Ref 8.3.5

b) Incorrect. This procedure monitors and evaluates achievements, NOT change. Ref 10.3.4

c) Correct. This is the procedure that identifies and controls changes to baselined products. It is part of the Change theme. Ref 9.1

d) Incorrect. This procedure defines and produces products that are fit-for purpose. Ref 6.3.2

23 Syllabus Topic:SU0204.1 - Starting up a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Project Brief.

a) Correct. One of the purposes of the Project Brief is to ensure the project has a well-defined start point. Ref A.19.1

b) Incorrect. This is a purpose of the Communication Management Strategy. Ref A.4.1

c) Incorrect. This is a purpose of the Configuration Management Strategy. Ref A.6.1

d) Incorrect. This is part of setting up the project controls, performed in the Initiating a Project process, NOT the Project Brief. Ref A.20.1 / 14.4.5

24 Syllabus Topic:OV0103 - Overview and Principles

Correct Answer:C

Objective:LL1 - Recall the four integrated elements.

a) Incorrect. Quality is an aspect of project performance that needs to be managed. The integrated elements are the seven principles, seven themes, seven processes and tailoring. Ref 1.5.3

b) Incorrect. Role descriptions help to agree and communicate project management team roles and responsibilities. The integrated elements are the seven principles, seven themes, seven processes and tailoring. Ref 1.5.3

c) Correct. Principles, themes, processes and tailoring are the four integrated elements. Ref 1.5.3

d) Incorrect. Product Descriptions support the focus on products but the four integrated elements are the seven principles, seven themes, seven processes and tailoring. Ref 1.5.3

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25 Syllabus Topic:PL0202.2 - Plans Theme

Correct Answer:C

Objective:LL2 - Understand the levels of plan, their purpose and the interrelationship between them.

a) Incorrect. (4) A Stage Plan is created at the level of detail needed to enable the day-to-day control by the Project Manager. Ref 7.2.5

b) Incorrect. (3) A Stage Plan is created towards the end of the preceding stage. Ref 7.2.5

c) Correct. (2) The Stage Plan provides the basis for the Project Manager's control. The Project Board monitors against the Project Plan. Ref 7.2.4

d) Incorrect. (1) A Stage Plan is produced towards the end of the preceding stage and can therefore be written with the knowledge of previous stages. Ref 7.2.5

26 Syllabus Topic:PG0208.2 - Progress Theme

Correct Answer:D

Objective:LL2 - Understand the purpose a Highlight Report.

a) Incorrect. End Stage Reports are NOT regular and may be too far apart for good reporting. Ref A.9.1

b) Incorrect. These are from the Team Manager to the Project Manager. Ref A.3.1

c) Incorrect. These are NOT regular progress reports. Ref A.10.1

d) Correct. These are sent on a regular basis by the Project Manager to the Project Board. Ref A.11.1

27 Syllabus Topic:PL0203 - Plans Theme

Correct Answer:D

Objective:LL2 - Understand the product-based planning technique.

a) Incorrect. The scope will be clear, but the time and effort taken to deliver them is NOT affected. Ref 7.3.3

b) Incorrect. Product-based Planning does NOT involve any estimates, and cannot therefore identify how long a project will take. Ref 7.3.3

c) Incorrect. Whilst the technique focuses on identifying the products required of the project, the activities required to create or change each of the planned products may need to be identified to give a fuller picture of the plan's workload. Ref 7.3.3

d) Correct. Clearly and consistently identifying and documenting the plan's products and interdependencies between them reduces the risk of important scope aspects being neglected or overlooked. Ref 7.3.3

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28 Syllabus Topic:RK0201 - Risk Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Risk theme.

a) Incorrect. Statement 1 is false. The purpose of the Risk theme is to manage project risks, NOT at the corporate or programme level. Ref 8.1

b) Correct. Only statement 2 is true.The Risk Management Strategy defines activities that should be implemented to control risks on a project. Statement 1 is false. The purpose of the Risk theme is to manage project risks, NOT at the corporate or programme level.Ref 8.1

c) Incorrect. Only statement 2 is true. See rationales above. Ref 8.1

d) Incorrect. Statement 2 is true. See rationales above. Ref 8.1

29 Syllabus Topic:CP0203 - Closing a Project Process

Correct Answer:B

Objective:LL2 - Understand the context of the Closing a Project process.

a) Incorrect. The Project Manager does NOT have the required level of authority. They will implement premature closure on the request of the Project Board. Ref 18.4.2

b) Correct. The Project Board triggers premature closure from the Directing a Project process. Ref 18.4.2 / 13.4.4

c) Incorrect. Project Support may supply management information to support a premature project closure, but the closure can only be triggered from within the project management team by the decision-making authority of the Project Board. Ref 18.4.2

d) Incorrect. The Project Board may appoint Project Assurance to undertake some of the reviewing and assessing actions during the Closing a Project process, but Project Assurance does NOT have the required level of authority to trigger premature closure. Ref 18.4.2 / 13.4.5

30 Syllabus Topic:OR0201 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Organization theme.

a) Incorrect. This is covered by the Progress theme. Ref 10.1

b) Incorrect. At the start of the project, team members may need training. The Project Manager should ensure that training needs are built into the appropriate plans. Ref 5.3.3.2

c) Correct. The purpose of the Organization theme is to define and establish the project's structure of accountability and responsibilities (the who?). Ref 5.1

d) Incorrect. Management by exception requires the setting of stages, targets against the 6 objectives and tolerance for each. This is all covered within the Progress theme. Ref 10.1

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31 Syllabus Topic:DP0201 - Directing a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Directing a Project process.

a) Correct. The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager. Ref 13.1

b) Incorrect. The Controlling a Stage process enables the Project Manager to assign work to be done, monitor such work, deal with issues, report progress to the Project Board and take corrective action. Ref 15.1

c) Incorrect. The Starting up a Project process ensures the prerequisites are in place for initiating a project. Ref 12.1

d) Incorrect. The Initiating a Project process establishes solid foundations for the project. Ref 14.1

32 Syllabus Topic:PL0202.2 - Plans Theme

Correct Answer:B

Objective:LL2 - Understand the levels of plans, their purpose and the interrelationship between the Project Plan, Stage Plans, Team Plans and an Exception Plan.

a) Incorrect. The Project Plan is created in the Initiating a Project process, but the Stage Plan for the initiation stage is created before this. Ref 7.2.3

b) Correct. The Stage Plan, for the initiation stage, contains the creation of the Project Initiation Documentation. This is the first plan to be created in the PRINCE2 processes. Ref 7.2.3

c) Incorrect. Team Plans are optional and are NOT produced until the Managing Product Delivery process. This process may be optionally used during the initiation of a project, but the Stage Plan for the initiation stage is created before entering initiation. Ref 7.2.3

d) Incorrect. An Exception Plan CANNOT be created until there are set targets against which progress can be measured. These targets are defined in the Project Plan and subsequent Stage Plans. However, none of these precede the Stage Plan for the initiation stage. Ref 7.2.3

33 Syllabus Topic:OV0102 - Overview and Principles

Correct Answer:D

Objective:LL1 - Recall the definition of a project.

a) Incorrect. See rationale for option D.

b) Incorrect. See rationale for option D.

c) Incorrect. See rationale for option D.

d) Correct. A project is a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case. Ref 1.3

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34 Syllabus Topic:MP0202 - Managing Product Delivery Process

Correct Answer:C

Objective:LL2 - Understand the objectives of the Managing Product Delivery process.

a) Incorrect. The Work Package ensures that everyone in the team, including suppliers, understands what they have to do. Ref 16.2

b) Incorrect: The Work Package should contain Product Descriptions that describe the product(s) required, including the quality criteria. Ref 16.2

c) Correct. The Managing Product Delivery process does NOT have any communications with the Project Board. Informing the Project Board of progress on the products is part of Controlling a Stage. Ref 16.2

d) Incorrect: Ensuring that work for the team is agreed with the Project Manager is part of the Accept a Work Package activity. Ref 16.2

35 Syllabus Topic:QU0203 - Quality Theme

Correct Answer:A

Objective:LL2 - Understand the objective of the quality review technique.

a) Correct. Involvement of key interested parties in checking a product's quality promotes wider acceptance of the project's products. Ref 6.3.2.1

b) Incorrect. Any change to a product specification must go through formal change control. Ref 9.1

c) Incorrect. It is an objective of the quality review technique to baseline the product for change control purposed. Any changes to a baselined product must go through formal change control. Ref 6.3.2.1

d) Incorrect. This is NOT part of the quality review technique. Results of the review are communicated to the appropriate managers/support personnel who will update this information. Ref 15.4.2

36 Syllabus Topic:OR0205 - Organization Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Communication Management Strategy.

a) Incorrect. This is the purpose of the Configuration Management Strategy NOT the Communication Management Strategy. Ref A.6.1

b) Correct. This is a key element in the use of the Communication Management Strategy. Ref A.4.1

c) Incorrect. This reflects the purpose of the Organization theme in PRINCE2 NOT the Communication Management Strategy. Ref 5.1 / A.4.1

d) Incorrect. Team Managers communicate with the Project Manager NOT the Project Board. Ref 5.3.2.7 / A.4.1

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37 Syllabus Topic:CH0203.4 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Issue Register.

a) Incorrect. The Product Description will be updated to reflect requests for change, if those requirements are approved via change control. The Product Description does NOT contain details of status. Ref A.17.2

b) Correct. Requests for change should be defined in Issue Reports which should be recorded in the Issue Register, and their status monitored by the Project Manager. Ref A.12.1

c) Incorrect. This shows the status of a product and a cross-reference to any Issue Reports. It does NOT show the status of requests for change. Ref A.5.2

d) Incorrect. If requests for change are identified during a quality review, these would be raised as Issue Reports and added to the Issue Register. The Quality Register does NOT show the status of Issue Reports. Ref A.23.2

38 Syllabus Topic:QU0101 - Quality Theme

Correct Answer:B

Objective:LL1 - Recall the recommended quality review team roles.

a) Incorrect. Although the Senior User may participate in a quality review, possibly as a reviewer, Senior User is NOT a recommended quality review role. Ref 6.3.2.1

b) Correct. This role introduces the product for review and represents the producer(s) of the product. The presenter also coordinates and tracks the work after the review, i.e. applying changes to the product agreed by the team. Ref 6.3.2.1

c) Incorrect. Although Project Support may participate in a quality review, possibly as an administrator, Project Support is NOT a recommended quality review role. Ref 6.3.2.1

d) Incorrect. Although Project Assurance may participate in a quality review, possibly as a reviewer, and are responsible for identifying appropriate people to fulfil this role, Project Assurance is NOT a recommended quality review role. Ref 6.3.2.1

39 Syllabus Topic:QU0206.3 - Quality Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a Quality Register.

a) Incorrect. This event has already happened. There is no uncertainty about its occurrence, therefore it is NOT a risk. Ref 8.2.1 / A.25.1

b) Incorrect. This may be raised as an issue (Off-specification) and formally managed if, for example, the failure is likely to lead to an exception situation. However, the product that should always be updated with the result of the quality activities is the Quality Register. Ref 6.3.1.6 / A.23.1

c) Correct. The Quality Register records the results of all quality management activities. Ref 6.3.1.6 / A.23.1

d) Incorrect. Whilst there may be a recommendation on how this product should be developed to avoid this experience on future projects, this statement does NOT provide evidence of this. Ref 6.3.1.6 / A.14.1

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40 Syllabus Topic:PG0206.1 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a Daily Log.

a) Incorrect. The Stage Plan is used to record the activities and products planned for the stage. Ref 7.2.5

b) Correct. The Project Manager can deal with issues informally, but these should be entered in the Daily Log. Ref A.7.1

c) Incorrect. A Configuration Item Record contains information on the status of each product. Ref A.5.1

d) Incorrect. A Checkpoint Report is produced by the Team Manager providing progress on a Work Package. Ref A.3.1

41 Syllabus Topic:OV0202 - Overview and Principles

Correct Answer:D

Objective:LL2 - Understand the seven principles

a) Incorrect. This requires that the project be broken into manageable stages with control or decision points. Ref 2.4

b) Incorrect. This requires that a decision be made as to how the project management method is to be applied. Ref 2.7

c) Incorrect. This requires that the full scope of the project is understood and that all deliverables are fully defined. Ref 2.6

d) Correct. Accountability is established by delegating authority from one management level to the next by setting tolerances against the six objectives for the respective level of the plan: time, cost, quality, scope, risk, benefit. Ref 2.5

42 Syllabus Topic:SU0201 - Starting up a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Starting up a Project process.

a) Correct. The purpose of the Starting up a Project process is to ensure that the question 'do we have a viable and worthwhile project' can be answered. This is achieved by ensuring the prerequisites for initiating the project are in place. Ref 12.1

b) Incorrect. The Project Plan is created in the Initiating a Project process NOT the Starting up a Project process. Ref 14.4.6

c) Incorrect. The Project Initiation Documentation is created in the Initiating a Project process NOT the Starting up a Project process. Ref 14.4.8

d) Incorrect. The customer's quality expectations are captured and documented in the Project Product Description during the Starting up a Project process. There is no confirmation that these will be met at this point in time as they are a target objective. Ref 12.4.4

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43 Syllabus Topic:SB0202 - Managing a Stage Boundary Process

Correct Answer:C

Objective:LL2 - Understand the objectives of the Managing a Stage Boundary process.

a) Incorrect. New stakeholders may be identified at any time and will need to be added to the Communication Management Strategy, NOT to the project management team structure. Ref A.4.2

b) Incorrect. The individuals nominated to take the roles within a quality review are NOT recorded in the project management team structure. They will be recorded in the Quality Register and on the associated Product Descriptions. Ref A.23.2 / A.17.2

c) Correct. New Team Managers may be required for the next stage, different Project Assurance may be required due to the nature of the next stage, etc. Ref 17.2 / 17.4.1

d) Incorrect. The project management team structure includes the Team Manager, but NOT the team members. This detail would be amended in the Team Plan. Ref 16.4.2

44 Syllabus Topic:OR0203.1 - Organization Theme

Correct Answer:A

Objective:LL2 - Understand the role of the Project Board.

a) Correct. Tolerance is allocated to the Project Manager by the Project Board when authorizing the next stage. Tolerance is allocated to specialist teams by the Project Manager, NOT the Project Board. Ref 15.4.1

b) Incorrect. As the Benefits Review Plan includes resources beyond the life of the project, ownership of this plan needs to transfer to corporate or programme management when authorizing project closure. Ref 13.4.5

c) Incorrect. The Project Product Description is incorporated within the Project Brief which is approved by the Project Board when authorizing initiation. Ref 13.4.1

d) Incorrect. The Project Board agree the frequency of Highlight Reports with the Project Manager at the end of each stage, when authorizing a Stage Plan or Exception Plan. Ref 10.3.3.4

45 Syllabus Topic:PG0205 - Progress Theme

Correct Answer:B

Objective:LL2 - Test understanding of the setting of project level tolerances.

a) Incorrect. The Project Board has overall control at a project level, as long as forecasts remain with project tolerance, and will allocate tolerances for each management stage to the Project Manager. Ref 10.3.1.1

b) Correct. Corporate/programme management sits outside the project but sets the overall requirements and tolerance levels of the project. Ref 10.3.1.1

c) Incorrect. The Executive forms part of the Project Board. Project tolerance is set by the corporate/programme management for the Project Board. Ref 10.3.1.1

d) Incorrect. The Project Manager agrees Work Package tolerance with the Team Manager (s). Ref 10.3.1.1

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46 Syllabus Topic:OV0201 - Overview and Principles

Correct Answer:B

Objective:LL2 - Understand the benefits of using PRINCE2.

a) Incorrect. Stakeholders are NOT represented in plans. They may receive copies. Ref 1.7

b) Correct. PRINCE2 plans are designed to meet the needs of the different levels in the project organization and assist in communication and control by being regularly updated and copied to the necessary levels. Ref 1.7

c) Incorrect. One plan is unable to meet the needs of all levels in the project organization. Ref 7.2.3

d) Incorrect. The levels of management in a project organization are recommended within the PRINCE2 method. The recommended plans do NOT affect the levels of management required. Ref 5.3.1

47 Syllabus Topic:PL0101 - Plans Theme

Correct Answer:C

Objective:LL1 - Recall the levels of plan recommended by PRINCE2.

a) Incorrect. In addition there are two further levels: the Stage Plan and Team Plan. Ref 7.2.3

b) Incorrect. In addition there is a further level of Team Plan. Ref 7.2.3

c) Correct. Project Plan, Stage Plan and Team Plan (Exception Plan replaces one of these). Ref 7.2.3

d) Incorrect. Project Plan, Stage Plan and Team Plan (Exception Plan replaces one of these). Ref 7.2.3

48 Syllabus Topic:QU0206.2 - Quality Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a Product Description.

a) Incorrect. (4) By understanding the quality method and quality skills needed, the review activities can be planned for and scheduled. Ref A.17.1

b) Incorrect. (3) The skills needed to develop the product will aid resource planning. Ref A.17.1

c) Correct. (2) The Product Description includes products on which this one is dependant but NOT vice versa. Ref A.17.1

d) Incorrect. (1) The composition will identify the parts of a product giving an indication of its 'size' to assist estimating. Ref A.17.1

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49 Syllabus Topic:CH0202 - Change Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a change budget.

a) Incorrect. Any changes to the project costs will come from Corporate Management unless it is allowed for in the Project Board tolerance. Ref 10.3.3.1

b) Incorrect. The cost tolerance is given to the Project Manager for each stage. Any increase would require an Exception Report that the Project Board would review and if necessary fund from the project's tolerance. Ref 10.3.4

c) Correct. This is a sum of money the customer and supplier agree will fund any request for change. It is given to a Change Authority to manage and control. Ref 9.3.1.1

d) Incorrect. The change budget does NOT pay for corrections to off-specifications. Ref 9.3.1.1

50 Syllabus Topic:RK0207 - Risk Theme

Correct Answer:D

Objective:LL2 - Understand the concept of risk appetite/tolerances.

a) Incorrect. This is a risk budget, a sum of money included within the project budget and set aside to fund specific management responses to the project's threats and opportunities. Ref 8.3.6

b) Incorrect. This is a risk budget, the mechanisms for control of and access to which should be detailed in the Risk Management Strategy. Ref 8.3.6

c) Incorrect. This describes cost tolerance, NOT risk appetite. Ref 10.2.3

d) Correct. An organization's unique attitude towards risk-taking that in turn dictates the amount of risks it considers acceptable. Ref 8.3.2

51 Syllabus Topic:OR0202 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the three project interests and how these are represented within the three levels of the project management team structure.

a) Incorrect. The Project Board represents the 'directing' level. Ref 5.3.1

b) Incorrect. The Project Manager represents the 'managing' level. Ref 5.3.1

c) Correct. The 'delivering' level relates to the Team Manager responsible for delivering the project's products which they do via the Managing Product Delivery process. Ref 5.3.1

d) Incorrect. Project Support does NOT represent a level on the project management team. Ref 5.3.1

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52 Syllabus Topic:BC0202.2 - Business Case Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a Benefits Review Plan.

a) Incorrect. This is a purpose of the Business Case. Ref A.2.1

b) Incorrect. The Benefits Review Plan includes all benefits, NOT just those which can be measured after the project has closed. Ref A.1.1

c) Correct. The Benefits Review Plan is used to cover the assessment of benefits. Ref 4.3.3 / A.1.1

d) Incorrect. The reasons for the project are derived from the project mandate and documented in the outline Business Case during the Starting up a Project process. Ref. 12.4.4

53 Syllabus Topic:CH0203.2 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a Configuration Item Record.

a) Incorrect. This describes the Product Status Account. Each version of a product has a different Configuration Item Record. Ref A.18.1

b) Correct. Contains the relationship with other items which may be affected by any changes to the product. Ref 9.3.1.2 / A.5.1

c) Incorrect. The maximum level of control possible is determined by breaking down the project's products until the level reached at which a component can be independently installed, replaced or modified. The product breakdown structure can therefore support configuration management. Ref 9.3.2

d) Incorrect. Configuration Item Records include a cross-reference to any issues or risks which caused the product to change, it does NOT contain details of the issues/risks themselves. Ref A.5.2

54 Syllabus Topic:CS0201 - Controlling a Stage Process

Correct Answer:B

Objective:LL2 - Understand the purpose of the Controlling a Stage process.

a) Incorrect. The Project Manager takes corrective actions to ensure the stage remains within tolerance. Ref 15.1 / 15.4.8

b) Correct. The recommendation of stage tolerances is done while planning the stage in the Managing a Stage Boundary process. Ref 17.4.1 / 13.4.3

c) Incorrect. The Project Manager will report progress to the Project Board using Highlight Reports. Ref 15.1 / 15.4.5

d) Incorrect. The Project Manager will assign work to be done in Work Packages. Ref 15.1 / 15.4.1

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55 Syllabus Topic:PG0203 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the concept of management stages and the difference between management and technical stages.

a) Incorrect. PRINCE2 mandates a minimum of two management stages, initiation and the rest of the project. Ref 10.3.2.1

b) Correct. A technical stage can span over more than one management stage. Ref 10.3.2.3

c) Incorrect. Management stages do NOT overlap, technical stages do. Ref 10.3.2.2

d) Incorrect. Management stages and technical stages can be scheduled to coincide, but this is NOT true of all stages. Ref 10.3.2.2

56 Syllabus Topic:RK0206.1 - Risk Theme

Correct Answer:A

Objective:LL2 - Understand the purpose of the Risk Management Strategy.

a) Correct. The Risk Management Strategy describes the specific risk management techniques and standards to be applied, and the responsibilities for achieving an effective risk management procedure. Ref A.24.1

b) Incorrect. Exposure to risk is summarized in the risk profile. This procedure is defined in the Risk Management Strategy. Ref A.24

c) Incorrect. The Risk Management Strategy defines the different categories of risk responses which can be used to identify suitable actions for each risk. It does NOT define the specific response actions appropriate for each risk. Ref A.24

d) Incorrect. Risk owners are identified and recorded in the Risk Register. Ref A.25.2

57 Syllabus Topic:OR0203.2 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the responsibilities and characteristics of the role of the Project Manager.

a) Incorrect. The Project Manager CANNOT perform the role of the Executive, the two roles must be independent. Ref 5.3.2.1

b) Incorrect. The Project Assurance role CANNOT be delegated to the Project Manager, the roles must remain independent. The Project Assurance role is owned by the Project Board members and can be delegated by them but NOT to the Project Manager. Ref 5.3.2.3

c) Correct. The Change Authority role can be delegated by the Project Board to the Project Manager. Ref 5.3.2.4

d) Incorrect. The Senior User role can be combined with the Executive role but CANNOT be performed by the Project Manager, the Project Manager and any Project Board role are always separate. Ref 5.3.2.1

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58 Syllabus Topic:CH0101 - Change Theme

Correct Answer:B

Objective:LL1 - Recall the three types of issue.

a) Incorrect. A concession is an off-specification which has been accepted without corrective action. Ref Table 9.2

b) Correct. Each of these is a type of issue. Ref Table 9.1

c) Incorrect. An Issue Report contains the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that need to be handled formally. Ref 9.3.1.6

d) Incorrect. An Issue Report contains the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that need to be handled formally. Ref 9.3.1.6. A risk is NOT a type of issue. Ref Table 9.1

59 Syllabus Topic:IP0202 - Initiating a Project Process

Correct Answer:B

Objective:LL2 - Understand the objectives of the Initiating a Project process.

a) Incorrect. The available project approaches are evaluated in the Starting up a Project process. Ref 12.2 / 12.4.5

b) Correct. An objective of the Initiating a Project process is to ensure that there is common understanding of who needs information, in what format, and at what time. Ref 14.2 / 14.4.4

c) Incorrect. The Project Brief is developed in the Starting up a Project process NOT the Initiating a Project process. Ref 12.2

d) Incorrect. A focus of the Initiating a Project process is to understand and put strategies in place to manage constraints, NOT to remove them. Ref 14.2

60 Syllabus Topic:RK0204 - Risk Theme

Correct Answer:B

Objective:LL2 - Understand the probability, impact and proximity of a risk.

a) Incorrect. The impact of each risk is measured in terms of the project objectives. The impact identifies what the outcome would be if the risk occurs. Ref 8.3.5.2

b) Correct. The point in time, or within the project, when the risks might materialize. Ref 8.3.5.2

c) Incorrect. The likelihood of the risk occurring - is it highly likely or NOT very likely. Ref 8.3.5.2

d) Incorrect. This activity assesses the net effect of all the identified risks on a project when aggregated together. Ref 8.3.5.2

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61 Syllabus Topic:MP0203 - Managing Product Delivery Process

Correct Answer:D

Objective:LL2 - Understand the context of the Managing Product Delivery process.

a) Incorrect. Team Plans are produced by the Team Manager during the Managing a Product Delivery process. Ref 16.3

b) Incorrect. Team Plans are produced by the Team Manager during the Managing a Product Delivery process. Ref 16.3

c) Incorrect. Team Plans are produced by the Team Manager during the Managing a Product Delivery process. Ref 16.3

d) Correct. Team Plans are produced by the Team Manager during the Managing a Product Delivery process. Ref 16.3

62 Syllabus Topic:OR0203.5 - Organization Theme

Correct Answer:B

Objective:LL2 - Understand the role of the Team Manager.

a) Incorrect. The Project Manager CANNOT take on the role of Senior Supplier. This would prove to be a conflict of interests. Supplier assurance must remain independent of/CANNOT be delegated to the Project Manager. Ref 5.3.2.3

b) Correct. The appointment of separate Team Managers is optional. If the Project Manager has the appropriate knowledge, coverage, etc, they may manage the teams directly. Ref 5.3.2.7

c) Incorrect. Project Assurance is the responsibility of the Project Board and must remain independent of/CANNOT be delegated to the Project Manager. Ref 5.3.2.3

d) Incorrect. The Proje Prince2 Foundation Sample Papers his would prove to be a conflict of interests. User assurance must remain independent of/CANNOT be delegated to the Project Manager. Ref 5.3.2.3

63 Syllabus Topic:OR0204 - Organization Theme

Correct Answer:A

Objective:LL2 - Understand what a stakeholder is.

a) Correct. Project Board members are stakeholders. Those with a role on the Project Board will have an interest in, and influence over the project. Project Board members are decision-makers representing stakeholders, i.e. business, user and supplier interests. Ref 5.2.5

b) Incorrect. Stakeholders are both internal and external to the corporate organization. Primary stakeholders are represented on the Project Board, others are external to the project management team. Ref 5.3.5.2

c) Incorrect. Corporate and/or programme management are stakeholders within a project but do NOT sit within the project management team structure. Ref 5.3.1

d) Incorrect. Project Board members are stakeholders. Those with a role on the Project Board will have an interest in, and influence over the project. Project Board members are decision-makers representing stakeholders, i.e. business, user and supplier interests. Ref 5.2.5

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64 Syllabus Topic:RK0203 - Risk Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a risk budget.

a) Incorrect. These would be funded by a change budget, NOT the risk budget. Ref 9.3.1.1

b) Incorrect. This would be funded from any cost tolerance. Ref Table 10.1

c) Correct. The risk budget is set aside to fund specific management responses to the project's threats and opportunities. Ref 8.3.6

d) Incorrect. The use of a risk budget is defined within the Risk Management Strategy, during the Initiating a Project process. Ref A.24.2 / 8.3.6

65 Syllabus Topic:CS0202 - Controlling a Stage Process

Correct Answer:A

Objective:LL2 - Understand the objectives of the Controlling a Stage process.

a) Correct. The Stage Plan is produced in the Managing a Stage Boundary process, towards the end of a stage, and is NOT an objective of the Controlling a Stage process. Ref. 15.2 / 17.4.1

b) Incorrect. Any movement away from the direction and products agreed at the start of the stage is monitored to avoid uncontrolled change ('scope creep') and a loss of focus. Ref 15.2

c) Incorrect. The project management team is focused on delivery within the tolerances laid down. The stage should NOT exceed the tolerances agreed with the Project Board. Ref 15.2

d) Incorrect. Throughout a stage, the project management team should be watching for, assessing and dealing with issues and risks. Ref 15.2 / 15.3

66 Syllabus Topic:BC0101 - Business Case Theme

Correct Answer:A

Objective:LL1 - Recall the definition of a project output, an outcome, a benefit and a dis-benefit.

a) Correct. This is an output - a specialist product (whether tangible or intangible). Ref 4.2.2

b) Incorrect. This is an outcome. Ref 4.2.2

c) Incorrect. This is a benefit. Ref 4.2.2

d) Incorrect. This is dis-benefit. Ref 4.3.4.4

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67 Syllabus Topic:QU0201 - Quality Theme

Correct Answer:A

Objective:LL2 - Understand the purpose of the Quality theme.

a) Correct. The Quality theme defines the PRINCE2 approach to ensuring that the project's products meet business expectations. Ref 6.1

b) Incorrect. This is covered by the Change theme. Ref 9.1

c) Incorrect. This is covered by the Business Case theme. Ref 4.1

d) Incorrect. This is a purpose of the Progress theme. Ref 10.1

68 Syllabus Topic:PG0204 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the factors to consider in identifying management stages.

a) Incorrect. The frequency of Highlight Reports will be considered when planning each stage. It is NOT an influence when deciding on the duration of a stage. Ref 10.3.2.2 / 10.3.1.2

b) Correct. Stage breaks can be inserted at key points when risks to the project can be reviewed before major commitments of money or resources. Ref 10.3.2.2

c) Incorrect. Management stages will be set according to the confidence of the Project Board and Project Manager in proceeding. Management stages are NOT set according to the availability of the Project Board. Ref 10.3.2.2 / 10.3.1.2

d) Incorrect. Technical stages are typified by the use of a particular set of specialist skills. Management stages equate to commitment of resources and authority to spend. Ref 10.3.2.2 / 10.3.1.3

69 Syllabus Topic:SB0203 - Managing a Stage Boundary Process

Correct Answer:A

Objective:LL2 - Understand the context of the Managing a Stage Boundary process.

a) Correct. The Stage Plan for the next stage should be planned near the end of the current stage when managing a stage boundary. Ref 17.2 / 17.3 / 17.4.1 / 7.2.5

b) Incorrect. The Stage Plan for the next stage should be planned near the end of the current stage when managing a stage boundary, so that it can be approved by the Project Board and the next stage can commence. Ref 17.4.1

c) Incorrect. The Project Plan is produced in the Initiating a Project process. Ref 14.4.6

d) Incorrect. The plan for the second stage of a project may be produced towards the end of initiation, but this is NOT when Stage Plans for further stages are produced. Ref 7.2.5

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70 Syllabus Topic:RK0205 - Risk Theme

Correct Answer:D

Objective:LL2 - Understand the difference between cause, event and effect when expressing a risk.

a) Incorrect. This is describing a risk effect. The risk effect should describe the impact (s) that the risk would have on the project objectives should the risk materialize. Ref 8.3.5.1

b) Incorrect. This is describing a risk event. The risk event should describe the area of uncertainty in terms of the threat or the opportunity. Ref 8.3.5.1

c) Incorrect. This is describing a risk effect. The risk effect should describe the impact (s) that the risk would have on the project objectives should the risk materialize. Ref 8.3.5.1

d) Correct. This is describing a risk cause. The risk cause should describe the source of the risk, i.e. the situation that gives rise to the risk. These are often referred to as risk drivers. Ref 8.3.5.1

71 Syllabus Topic:PG0201 - Progress Theme

Correct Answer:C

Objective:LL2 - Understand the difference between event-driven and time-driven controls.

a) Incorrect. The end of a stage is NOT a periodic control, i.e. it does NOT occur weekly or monthly. Ref 10.3.3

b) Incorrect. Exception situations are NOT a periodic control, i.e. you CANNOT plan for them. Ref 10.3.3

c) Correct. Time-driven controls take place at predefined periodic intervals. The frequency and format of the Checkpoint Reports will be agreed in the Work Package. Ref 10.3.3

d) Incorrect. Produced at the end of a stage and the end of the project, these are NOT periodic controls, i.e. it does NOT occur weekly or monthly. Ref 10.3.3

72 Syllabus Topic:QU0206.1 - Quality Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a Project Product Description.

a) Incorrect. This is a purpose of the Quality Management Strategy. Ref A.22.1

b) Correct. A purpose of the Project Product Description is to define what the project must deliver in order to gain customer acceptance. Ref A.21.1

c) Incorrect. This is the purpose of the Project Plan. Ref 7.2.4

d) Incorrect. The Project Manager's responsibilities are defined by the Executive in the Starting up a Project process and they are NOT documented in the Project Product Description. Ref A.21.1 / 12.4.1

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73 Syllabus Topic:OR0203.4 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the role of a Change Authority.

a) Incorrect. If there is to be a change budget, this will be determined by the Project Board, as part of the overall project budget. Ref 9.3.1.1 / 13.4.2

b) Incorrect. This is the role of the Project Manager, NOT the Change Authority. Ref 9.3.3.2 / 9.3.1.1

c) Correct. Within the limits of authority set by the Project Board, changes can be approved by the Change Authority without the need for escalation. Ref 5.3.2.4 / 9.3.1.1 / C.8.

d) Incorrect. The Change Authority deals with requests for change and off-specifications, NOT risks. There should be a limit to the delegated authority in terms of the characteristics of changes which can be approved by the Change Authority. Ref 9.3.1.1

74 Syllabus Topic:PG0101 - Progress Theme

Correct Answer:A

Objective:LL1 - Recall the lines of authority and reporting between the four levels of management.

a) Correct. The Team Manager has control for a Work Package, within the Work Package tolerances agreed with the Project Manager. During execution of the Work Package, if any forecasts indicate that it is likely to exceed the agreed tolerances, then the deviation should be referred to the Project Manager by the Team Manager in order to get a decision on corrective action. Ref 10.3.1.1

b) Incorrect. If a Team Manager forecasts an exception situation, it should be escalated to the Project Manager via an issue. See rationale A.

c) Incorrect. If a Team Manager forecasts an exception situation, it should be escalated to the Project Manager via an issue. See rationale A.

d) Incorrect. If a Team Manager forecasts an exception situation, it should be escalated to the Project Manager via an issue. See rationale A.

75 Syllabus Topic:RK0202 - Risk Theme

Correct Answer:B

Objective:LL2 - Understand the five steps within the risk management procedure.

a) Incorrect. If the risk has NOT been identified, it CANNOT be assessed. Ref 8.3.5

b) Correct. The risk must first be identified before it can be assessed, and responses planned and then implemented. Ref 8.3.5

c) Incorrect. If the risk has NOT been identified, it CANNOT be assessed. Therefore responses CANNOT be planned or implemented. Ref 8.3.5

d) Incorrect. If the risk has NOT been identified, it CANNOT be assessed. Therefore responses CANNOT be planned or implemented. Ref 8.3.5

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PRINCE2®

The Foundation Examination

Sample Paper 2

January 2013 Release

Multiple Choice

1-hour paper

Instructions

1. **All 75 questions should be attempted.**
2. **5 of the 75 questions are under trial and will not contribute to your overall score. There is no indication of which questions are under trial.**
3. **All answers are to be marked on the answer sheet provided.**
4. **Please use a pencil and NOT ink to mark your answers on the answer sheet provided. There is only one correct answer per question.**
5. **You have 1 hour for this paper.**
6. **You must get 35 or more correct to pass.**

Candidate Number: .....

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1 Which is one of the six aspects of project performance that needs to be managed?

a) Customers
b) People
c) Benefits
d) Processes

2 What is the trigger for the Starting up a Project process?

a) Project Brief
b) Project Plan
c) Project mandate
d) Outline Business Case

3 Which is a purpose of the Business Case theme?

a) Establish mechanisms to monitor and compare actual achievements against those planned
b) Establish methods to judge whether the ongoing project is justified
c) Assess and control uncertain events or situations
d) Describe how, when and at what cost products can be delivered

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4 What role is responsible for creating a Team Plan in the Managing Product Delivery process?

a) Project Manager
b) Team Manager
c) Project Support
d) Senior User

5 The incorporation of the primary stakeholders on the project management team supports what principle?

a) Continued business justification
b) Defined roles and responsibilities
c) Manage by stages
d) Learn from experience

6 Which describes risk appetite?

a) An organization's attitude towards risk-taking
b) Probable effect on the project delivering its objectives
c) Probable timeframe within which a risk may occur
d) Level of risk exposure that, when exceeded, triggers an exception

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7 Identify the missing words in the following sentence.

If the Project Manager needs to know the results of a quality review, the [?] will provide a summary together with the date of any follow-up meeting.

a) Stage Plan
b) Issue Register
c) Daily Log
d) Quality Register

8 How is the Project Initiation Documentation used during the Closing a Project process?

a) As the basis for comparing the original aim of the project against what was actually achieved
b) Provides the controls for the final stage of the project
c) Updated to include relevant lessons from previous projects
d) Provides the Project Product Description for approval by the Project Board

9 What role agrees the techniques, products and constraints for a Work Package with the Project Manager?

a) Executive
b) Project Assurance
c) Senior Supplier
d) Team Manager

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10 Identify the missing word in the following sentence.

PRINCE2 recommends three levels of [?] to reflect the needs of the different levels of management involved in a project.

a) product
b) activity
c) plan
d) benefit

11 Which is a purpose of a Configuration Item Record?

a) Record quality issues found in a quality test of the product
b) Explain which procedure should be used for updating the Configuration Item Records of products completed in the stage
c) Explain which procedure should be used for transferring completed products into the operational and maintenance environment
d) Record the development status of a product in a completed Work Package

12 When authorizing a stage, in which product would the Project Board look for an explanation of any deviations from the approved plans that are within tolerance?

a) Lessons Report
b) End Stage Report
c) Benefits Review Plan
d) Project Initiation Documentation

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13 Which of the following are a purpose of the Benefits Review Plan?

1. Define how a measurement of the achievement of the project's benefits can be made
2. Define what benefits assessments need to be undertaken
3. Define the project, in order to form the basis for its management and an assessment of its overall success
4. Define the activities required to measure the expected project's benefits

a) 1, 2, 3
b) 1, 2, 4
c) 1, 3, 4
d) 2, 3, 4

14 Which is a purpose of the Organization theme?

a) Define the total resource requirements of the project
b) Capture the project acceptance criteria
c) Define the responsibilities for managing teams
d) Establish mechanisms to judge whether the project is desirable and achievable

15 Which is a purpose of a Project Brief?

a) Define how and when a measurement of the achievement of the project's benefits can be made
b) Define any lessons from previous projects and how they may affect this project
c) Communicate the quality techniques and standards to be applied to achieve the required quality levels
d) Provide sufficient information for the decision on whether to initiate the project

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16 Which is a purpose of a Risk Management Strategy?

a) Communicate how risk management will be implemented throughout the wider corporate organization
b) Capture and maintain information on all identified risks relating to the project
c) Document specific actions for responding to risks
d) Describe the procedures and techniques for managing project risks

17 Which is **NOT** a purpose of the Plans theme?

a) Facilitate communication
b) Establish the project's structure of accountability
c) Define the means of delivering the products
d) Ensure targets are achievable

18 Which is a purpose of the Directing a Project process?

a) Enable the Project Board to exercise overall control of a project
b) Prepare a solid foundation for the project
c) Establish the prerequisites for the initiation of a project
d) Assign Work Packages

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19 Which takes place within the Managing a Stage Boundary process?

a) Periodic review of progress against the Stage Plan
b) Obtain approvals for all completed products
c) Escalation of Issue Reports created during the current stage
d) Review of the business justification for the project

20 Which is a type of issue?

a) Problem/concern
b) Follow-on action recommendation
c) Exception Report
d) Identified threat

21 Which is a characteristic of a project?

a) Low risk
b) Avoids stresses and strains between organizations
c) Business as usual
d) Cross-functional

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22 Which is **NOT** a recommended response type to respond to a threat?

a) Avoid
b) Reject
c) Share
d) Transfer

23 Which is an objective of the Managing a Stage Boundary process?

a) Request authorization to start the next stage
b) Ensure that all threats and opportunities for the current stage have been closed
c) Make certain that work on products allocated to the team for the next stage is authorized and agreed
d) Implement actions to resolve tolerance deviations from the Stage Plan

24 In what process are the project's risk management techniques and standards defined?

a) Starting up a Project
b) Directing a Project
c) Initiating a Project
d) Managing Product Delivery

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25 Which is a purpose of a Daily Log?

a) Record the products and activities planned for the stage
b) Record informal issues
c) Record and track the status of all products produced during a stage
d) Update the Project Board on the progress of a stage

26 Which is an objective of the quality review technique?

a) Determine whether a product has been created
b) Agree the quality method that will be applied to a product
c) Formulate ideas on how the product will be developed
d) Provide consultation with a range of interested parties on a product's fitness for purpose

27 When does the Directing a Project process start?

a) On completion of the Starting up a Project process
b) On completion of the Initiating a Project process
c) When the Starting up a Project process commences
d) After the project has been authorized

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28 What plan is mandatory?

a) Team Plan
b) Exception Plan
c) Project Plan
d) Programme Plan

29 On which environment is PRINCE2 based?

a) Information technology
b) Customer/supplier
c) Procurement
d) Programme

30 Which theme assesses and controls uncertainty within a project?

a) Progress
b) Risk
c) Change
d) Plans

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31 Which of the following is funded from a change budget?

a) Fallback plan
b) Request for change
c) Action to reduce a threat
d) Change Authority

32 Which is an aim of the Starting up a Project process?

a) Understand how and when the project's products will be delivered and at what cost
b) Ensure that there is authority to deliver the project's products
c) Do the minimum necessary in order to decide whether it is worthwhile to even initiate the project
d) Create the set of management products required to control the project

33 Which is a responsibility of the Project Manager?

a) Delegating responsibility for changes to the Change Authority
b) Documenting the Communication Management Strategy
c) Approving stage tolerances
d) Approving the customer's quality expectations

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34 Which is **NOT** a factor to consider when defining management stages?

a) How long the project is
b) When Team Managers are available
c) When key decisions are required on the project
d) The amount of risk within the project

35 What process ensures that plans for achieving the expected benefits are managed and reviewed?

a) Managing Product Delivery
b) Initiating a Project
c) Directing a Project
d) Starting up a Project

36 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

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37 Which product establishes the baseline against which the project's actual performance is compared?

a) Project Brief
b) Product Status Account
c) Project Initiation Documentation
d) Configuration Item Record

38 Which is **NOT** identified when creating a product breakdown structure?

a) Products to be created by internal resources
b) Products to be modified
c) Resources required to produce the products
d) Products to be created by an external third party

39 Which statement regarding a project's outputs, outcomes and benefits is correct?

a) All outputs have tangible benefits
b) Outcomes are the long term results of benefits
c) Outputs are changes in the way the project's products are used
d) Benefits are improvements resulting from project outcomes

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40 What process covers the acceptance and execution of project work by external suppliers?

a) Controlling a Stage
b) Managing a Stage Boundary
c) Managing Product Delivery
d) Directing a Project

41 Which is **NOT** a PRINCE2 integrated element?

a) The principles
b) The techniques
c) The themes
d) Tailoring to the project environment

42 What is the goal of the 'Identify context' step within the recommended risk management procedure?

a) Identify responses to risks identified in the Business Case
b) Understand the specific objectives that are at risk
c) Gather information about risks for inclusion in Highlight Reports to the Project Board
d) Identify the threats and opportunities that may affect the project's objectives

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43 Which is a purpose of the Project Product Description?

a) Defines the reporting structure to be used by the project
b) Provides information on what the project is about and how it is being managed
c) Describes what the project has to produce to obtain customer acceptance
d) Provides input to the creation of the project mandate

44 Which is a purpose of the Controlling a Stage process?

a) Agree, perform and deliver project work
b) Draft a plan for the next stage
c) Agree stage tolerances
d) Take action to make sure that the stage remains within tolerance

45 Which of the following roles can the Project Manager also perform?

1. Change Authority
2. Project Assurance
3. Project Support
4. Team Manager

a) 1, 2, 3
b) 1, 2, 4
c) 1, 3, 4
d) 2, 3, 4

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46 Which defines the sequence in which the products of a plan should be developed?

a) Product Description
b) Product breakdown structure
c) Project Product Description
d) Product flow diagram

47 If a Work Package is forecast to exceed its tolerances, how should a Team Manager inform the Project Manager?

a) Raise an Exception Report
b) Issue an Exception Plan
c) Raise an issue
d) Raise a risk

48 What process enables an organization to understand the work that needs to be done to deliver a project's products before it is approved?

a) Directing a Project
b) Initiating a Project
c) Starting up a Project
d) Controlling a Stage

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49 Which is a responsibility of the Project Assurance role?

a) Inform the Project Manager about the status of the project's products
b) Document the Project Board's reporting needs
c) Ensure the Project Manager is aware of the need to use any existing corporate standards
d) Inform corporate or programme management about the project's status

50 When is it confirmed if a project's objectives have been achieved?

a) During the Closing a Project process
b) During the final end stage assessment
c) During the Controlling a Stage process
d) During the Managing Product Delivery process

51 Which is a definition of a risk cause?

a) The impact of a risk on the stage and project tolerance
b) The source of a risk
c) The overall effect of a risk on the Business Case
d) How likely a risk is to occur in a given project situation

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52 When would the Team Manager be required to produce a Checkpoint Report?

a) When a Work Package is being negotiated
b) At the frequency agreed in the Work Package
c) On completion of the quality-checking activities for each product
d) When reviewing how a stage is progressing

53 Which is a recommended quality review team role?

a) Project Manager
b) Administrator
c) Project Support
d) Producer

54 What PRINCE2 principle supports planning only to a level of detail that is manageable and foreseeable?

a) Continued business justification
b) Manage by exception
c) Focus on products
d) Manage by stages

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55 In which situation might the Controlling a Stage process be used?

a) Managing a long initiation stage of a complex project
b) Managing the activities of a complex programme
c) Managing support activities following the handover of the products to the operational environment
d) Creating an Exception Plan to replace the current Stage Plan

56 Which is a responsibility of the business representative on the Project Board?

a) Setting tolerance levels for the project
b) Ensuring the project represents value for money
c) Confirming the project delivers the required functionality
d) Checking the required quality levels are achieved by the project's products

57 Which statement correctly describes the relationship between Project Assurance and quality assurance?

a) Project Assurance provides assurance to the project's stakeholders whereas quality assurance provides assurance to the wider corporate or programme organization
b) They are both the responsibility of the Project Board, but Project Assurance may be delegated.
c) They are both independent of the project
d) Project Assurance and quality assurance are both the responsibility of corporate or programme management

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58 Which of the following assists the Project Board in assessing project viability at certain points as defined in the Project Plan?

a) Receiving regular Checkpoint Reports
b) Authorizing one stage at a time
c) Creating Exception Reports when tolerances are threatened
d) Authorizing project closure

59 Which is a purpose of the Change theme?

a) Prevent change to anything agreed in the Project Initiation Documentation
b) Ensure any potential changes to baselined products are controlled
c) Assess and control uncertainty
d) Assess changes to only the specialist products

60 What product would confirm the version numbers of all products being developed within a given stage?

a) Configuration Item Record
b) Product Status Account
c) Stage Plan
d) Work Package

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61 Which is a benefit of using PRINCE2?

a) Stakeholders are kept out of planning and decision-making
b) Participants understand each other's roles and needs
c) Stakeholders are not involved in assuring the project work
d) All problems are escalated to all stakeholders

62 In what product would a product's quality tolerance be defined?

a) Project Product Description
b) Product Description
c) Stage Plan
d) Quality Management Strategy

63 When should the Managing a Stage Boundary process be undertaken?

a) Close to the end of a management stage
b) After the completion of each management stage
c) At the end of the final stage
d) At the end of project start-up

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64 Which is a purpose of a risk budget?

a) To fund risk management activities defined in the risk management procedure
b) To fund the cost of analyzing requests for change while executing a Work Package
c) Funds set aside from the project budget to cover the costs of implementing risk responses
d) Funds set aside from the project budget to cover the costs of identifying risks to the project

65 Which role is part of the project management team?

a) Corporate or programme management
b) Quality assurance
c) Stakeholder
d) Business assurance

66 Identify the missing words in the following sentence.

PRINCE2 management stages relate to the [?], which is a factor that differentiates them from technical stages

a) use of a particular set of technical skills
b) use of a specific set of Team Managers
c) authorization from corporate or programme management
d) element of work delegated to the Project Manager by the Project Board

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67 What principle is supported by the Project Product Description?

a) Continued business justification
b) Focus on products
c) Learn from experience
d) Manage by stages

68 Identify the missing word(s) in the following sentence.

Quality planning provides the definition of the required products with their [?] as a foundation for Project Board agreement.

a) customer's quality expectations
b) quality test results
c) quality criteria
d) owners

69 Which is a definition of risk probability?

a) Scale of the risk should it occur
b) Probable effect on the project delivering its objectives
c) Probable timeframe within which the risk may occur
d) A measure of the likelihood of the risk occurring

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70 Which is **NOT** an event-driven control?

a) Highlight Report
b) Exception Report
c) Project Initiation Documentation
d) End of a stage

71 Identify the missing words in the following sentence.

The Project Board will allocate tolerances [?] to the Project Manager.

a) for each Work Package
b) for the project
c) for each management stage
d) for each technical stage

72 Which is **NOT** a purpose of a Product Description?

a) Define the time and cost needed to produce the product
b) Define the quality skills required to check the product
c) Define the function and appearance of the product
d) Define the development skills required to produce the product

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73 Which is a purpose of a Communication Management Strategy?

a) Ensuring the project team can use the required reporting tools
b) Producing reports for the Project Board
c) Defining the communication method between the Project Board and corporate or programme management
d) Ensuring stakeholders are aware of their responsibilities

74 Identify the missing words in the following sentence.

During the Controlling a Stage process, the [?] is checked for any new or revised threats and their possible impact on the Business Case.

a) Benefits Review Plan
b) End Stage Report
c) Risk Register
d) Risk Management Strategy

75 In what plan should project closure activities be planned?

a) Closure Stage Plan
b) Stage Plan for the final management stage
c) Initiation Stage Plan
d) Team Plan

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The Foundation Examination Answer Booklet

Use an **HB PENCIL** and only mark the paper where directed.

Enter your candidate number in the space provided at the bottom of the page and also in the 6 boxes on the right. Fill in the associated ovals next to the 6 boxes, e.g.for candidate 597, fill ovals 000597.

Candidate Number

☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+
☐	0	1	2	3	4	5	6	7	8	9	+

Select your answers by filling in the appropriate ovals. Ovals must be darker than the grey square at the top of the page and filled between 80% - 100% as follows:

Do **NOT** use the following marks as they may be ignored.

| | | | | | | | | | | |

Exam Experience Questionnaire

1. Did you have sufficient time to complete the exam?

   A: Yes B: No

2. How much of your exam time was left?

   A: 0 - 15 minutes
   B: 16 - 30 minutes
   C: more than 30 minutes

3. How much additional time did you need?

   A: 0 - 15 minutes
   B: 16 - 30 minutes
   C: more than 30 minutes

4. Was the exam available in your first language?

   A: Yes
   B: No
   C: I don't know

5. Did you take the exam in your first language?

   A: Yes B: No

6. Did you take the exam in your business language?

   A: Yes B: No

7. Did you sit a dual language paper?

   A: Yes B: No

8. Were you given extra time to take the exam?

   A: Yes B: No

1.	a	b	
2.	a	b	c
3.	a	b	c
4.	a	b	c
5.	a	b	
6.	a	b	
7.	a	b	
8.	a	b	

PRINCE2 Foundation Examination Answer Key

Week ending:

Exam Paper: GBP210FExam-121214Paper2

Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section	Q	Ans	Syllabus Topic	Section
1	C	OV0101	1.5.2	31	B	CH0202	9.3.1.1	61	B	OV0201	1.7
2	C	SU0203	12.3	32	C	SU0201	12.1	62	B	QU0206.2	Appendix A / 6.3.1.5 / Table 10.1
3	B	BC0201	4.1	33	B	OR0203.2	5.3.5.3	63	A	SB0201	17.1
4	B	MP0203	16.3	34	B	PG0204	10.3.2	64	C	RK0203	8.3.6
5	B	OV0202	2.3 / 5.2.5	35	C	DP0202	13.2	65	D	OR0101	5.3.2.3
6	A	RK0207	8.3.2	36	B	CH0203.3	Appendix A	66	D	PG0203	10.3.2.3
7	D	QU0206.3	Appendix A	37	C	IP0204	Appendix A	67	B	OV0202	2.6
8	A	CP0202	18.2	38	C	PL0203	7.3.3.2	68	C	QU0204.1	6.3.1
9	D	OR0203.5	5.3.2.7	39	D	BC0101	4.2.2.	69	D	RK0204	8.3.5.2
10	C	PL0101	7.2.3	40	C	MP0201	16.1	70	A	PG0201	10.3.3
11	D	CH0203.2	Appendix A	41	B	OV0103	1.5.3	71	C	PG0101	10.3.1.1
12	B	PG0207.1	Appendix A & 13.4.3	42	B	RK0202	8.3.5.1	72	A	QU0206.2	Appendix A
13	B	BC0202.2	Appendix A	43	C	QU0206.1	Appendix A	73	C	OR0205	App. A
14	C	OR0201	5.1	44	D	CS0201	15.1	74	C	CS0203	15.3
15	D	SU0204	Appendix A	45	C	OR0203.2	5.3.2.3	75	B	CP0203	18.3
16	D	RK0206.1	Appendix A	46	D	PL0203	7.3.3.4				
17	B	PL0201	7.1	47	C	PG0205	10.3.4				
18	A	DP0201	13.1	48	B	IP0201	14.1				
19	D	SB0203	17.3	49	C	OR0203.3	5.3.2.3				
20	A	CH0101	9.2.4 / Table 9.1	50	A	CP0201	18.1				
21	D	OV0203	1.3	51	B	RK0205	8.3.5.1				
22	B	RK0102	Table 8.2	52	B	MP0202	16.2 / 10.3.3.4 / 16.4.2				
23	A	SB0202	17.2	53	B	QU0101	6.3.2.1				
24	C	IP0202	14.2	54	D	OV0202	2.4				
25	B	PG0206.1	10.3.3.2 / Appendix A	55	A	CS0203	15.3				
26	D	QU0203	6.3.2.1	56	B	OR0202	5.3.2.2				
27	A	DP0203	13.3	57	A	QU0202	Table 6.1				
28	C	PL0202.1	7.2.6	58	B	PG0203	10.3.2				
29	B	OV0104	5.1 / 19.6	59	B	CH0201	9.1				
30	B	RK0201	8.1	60	B	CH0203.5	Appendix A				

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The Foundation Examination

Rationale

Sample Paper 2

January 2013 Release

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1 Syllabus Topic:OV0101 - Overview and Principles

Correct Answer:C

Objective:LL1 - Recall the six aspects of project performance to be managed.

a) Incorrect. This is NOT one of the six aspects of project performance. Ref 1.5.2

b) Incorrect. This is NOT one of the six aspects of project performance. Ref 1.5.2

c) Correct. The Project Manager has to have a clear understanding of the purpose of the project as an investment and make sure that what the project delivers is consistent with achieving the desired outcome. Ref 1.5.2

d) Incorrect. This is NOT one of the six aspects of project performance. Ref 1.5.2

2 Syllabus Topic:SU0203 - Starting up a Project Process

Correct Answer:C

Objective:LL2 - Understand the context of the Starting up a Project process.

a) Incorrect. This is an output of the Starting up a Project process. Ref 12.4.5

b) Incorrect. This is created in the Initiating a Project process. Ref 14.4.6

c) Correct. This is the trigger for the Starting up a Project process. It is typically created by corporate or programme management prior to the start of any project activity. Ref 12.3

d) Incorrect. This is an output of the Starting up a Project process. Ref 12.4.4

3 Syllabus Topic:BC0201 - Business Case Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Business Case theme.

a) Incorrect. This is a purpose of the Progress theme. Ref 10.1

b) Correct. This is a purpose of the Business Case theme, i.e. allows decisions regarding continued project investment and benefit achievement to be made. Ref 4.1

c) Incorrect. This is a purpose of the Risk theme. Ref 8.1

d) Incorrect. This is a purpose of the Plans theme. Ref 7.1

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4 Syllabus Topic:MP0203 - Managing Product Delivery Process

Correct Answer:B

Objective:LL2 - Understand the context of the Managing Product Delivery process.

a) Incorrect. The Project Manager is NOT responsible for creating a Team Plan. This is a responsibility of a Team Manager in the Managing Product Delivery process. Ref 16.4.1

b) Correct. A Team Manager is responsible for creating a Team Plan in the Managing Product Delivery process. Ref 16.3

c) Incorrect. Project Support is NOT responsible for creating a Team Plan. This is a responsibility of a Team Manager in the Managing Product Delivery process. Ref 16.4.1

d) Incorrect. The Senior User is NOT responsible for creating a Team Plan. This is a responsibility of a Team Manager in the Managing Product Delivery process. Ref 16.4.1

5 Syllabus Topic:OV0202 - Overview and Principles

Correct Answer:B

Objective:LL2 - Understand the seven principles.

a) Incorrect. The incorporation of the primary stakeholders on the project management team does NOT support the continued business justification principle. This principle requires that a project has a documented justifiable reason to start which should remain valid throughout the life of the project. Ref 2.1

b) Correct. The incorporation of the primary stakeholders on the project management team ensures they are allocated project roles and responsibilities. This principle requires that a project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests. Ref 2.3 / 5.2.5

c) Incorrect. The incorporation of the primary stakeholders on the project management team does NOT support the manage by stages principle. This principle requires that a project is planned, monitored and controlled on a stage-by-stage basis. Ref 2.4

d) Incorrect. The incorporation of the primary stakeholders on the project management team does NOT support the learn from experience principle. This principle requires a project team to learn from experience: lessons are sought, recorded and acted upon throughout the life of the project. Ref 2.2

6 Syllabus Topic:RK0207 - Risk Theme

Correct Answer:A

Objective:LL2 - Understand the concept of risk appetite and risk tolerance.

a) Correct. An organization's risk appetite is its unique attitude towards risk taking that in turn dictates the amount of risk that it considers acceptable. Ref 8.3.2

b) Incorrect. This is the impact of the risk occurring. Ref 8.3.5.2

c) Incorrect. This is a definition of the risk proximity. Ref 8.3.5.2

d) Incorrect. This is risk tolerance. Ref 8.3.3

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7 Syllabus Topic:QU0206.3 - Quality Theme

Correct Answer:D

Objective:LL2 - Understand the purpose of the Quality Register.

a) Incorrect. The Stage Plan will contain a schedule of the planned dates of the quality checks. This will need to be updated with any further activities identified as a result of the checks carried out. It will NOT provide a summary of the results. Ref A.16.2

b) Incorrect. The Issue Register contains a summary of the Issue Reports raised, some of which may be as a result of a quality check. This will NOT provide a summary of all quality checks. Ref A.12.2

c) Incorrect. The Daily Log is used to record problems, required actions or significant events NOT caught by other registers. This would NOT provide a summary of all quality checks. Ref A.7.1

d) Correct. The Quality Register records the results from the quality activities. Ref. A.23.1

8 Syllabus Topic:CP0202 - Closing a Project Process

Correct Answer:A

Objective:LL2 - Understand the objective of the Closing a Project process.

a) Correct. The Project Initiation Documentation, baselined in the Initiating a Project process, is used as the benchmark to review how the project actually performed against its planned targets and tolerances. Ref 18.2 / 18.4.4

b) Incorrect. The controls for the final stage are contained in the Stage Plan rather than the PID. Ref 17.4.1

c) Incorrect. The Lessons Log and Lesson Report are NOT part of the Project Initiation Documentation. Ref A.20.2

d) Incorrect. This is done when authorizing initiation. Ref 13.4.1

9 Syllabus Topic:OR0203.5 - Organization Theme

Correct Answer:D

Objective:LL2 - Understand the role of a Team Manager.

a) Incorrect. The Executive is NOT involved in agreeing Work Packages, the role is focused on ensuring the project delivers the expected benefits. Ref C.2

b) Incorrect. Project Assurance may review aspects of the Work Package, but does NOT agree it. Ref C.7

c) Incorrect. The Senior Supplier provides resources to deliver the Work Package. Ref C.4

d) Correct. The Work Package is an agreement to deliver one or more products between the Project Manager and the Team Manager. Ref 5.3.2.7 / 16.4.1

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10 Syllabus Topic:PL0101 - Plans Theme

Correct Answer:C

Objective:LL1 - Recall the levels of plan recommended by PRINCE2.

a) Incorrect. PRINCE2 does NOT recommend three levels of product. Ref 7.3.3

b) Incorrect. PRINCE2 does NOT recommend three levels of activity. Ref 7.3.4.1

c) Correct. The three levels of plan recommended by PRINCE2 are the Project Plan, Stage Plan and Team Plan to reflect the different levels of management involved in a project. Ref 7.2.3

d) Incorrect. PRINCE2 does NOT recommend three levels of benefit. Ref 4.2.2

11 Syllabus Topic:CH0203.2 - Change Theme

Correct Answer:D

Objective:LL2 - Understand the purpose of a Configuration Item Record.

a) Incorrect. Quality issues are recorded in the quality records of a product, referenced in the Quality Register. A.23.1

b) Incorrect. This information is documented in the Configuration Management Strategy. Ref A.6.1

c) Incorrect. Handover procedures are documented in the Configuration Management Strategy. Ref A.6.1

d) Correct. The Configuration Item Record should be checked to ensure that all records have been updated and products approved, as suggested in the completed Work Package. A.5.1

12 Syllabus Topic:PG0207.1 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of an End Stage Report.

a) Incorrect. If required, the Project Board reviews the Lessons Report and agrees who should receive it. This may NOT explain any deviations. Ref. 13.4.3.

b) Correct. The Project Board would ascertain the performance of the project to date, asking the Project Manager to explain any deviations from the approved plans and to provide a forecast of project performance for the remainder of the project. Ref. A.9.1 / 13.4.3.

c) Incorrect. The Benefits Review Plan is reviewed and approved to ensure that any benefits planned to be achieved within the next stage will be measured and reviewed. The Benefits Review Plan does NOT explain deviations from plans. Ref. 13.4.3.

d) Incorrect. The strategies and project controls in the (updated) Project Initiation Documentation will be confirmed as adequate for the remainder of the project. These will NOT explain deviations from plans. Ref. 13.4.3.

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13 Syllabus Topic:BC0202.2 - Business Case Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Benefits Review Plan.

a) Incorrect. (4) Defines how and when a measurement of the achievement of the project's benefits, expected by the Senior User, can be made. Ref A.1.1

b) Correct. (3) This is a purpose of the Project Initiation Documentation. Ref A.20.1

c) Incorrect. (2) The Benefits Review Plan identifies the reviews needed to capture the actual benefits realized both during the project and after project closure. Ref A.1.1

d) Incorrect. (1) The plan has to cover the activities to find out whether the expected benefits of the products have been realized and how the products have performed when in operational use. Ref A.1.1

14 Syllabus Topic:OR0201 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Organization theme.

a) Incorrect. Resources should include human and non-human resources. A definition of total resource requirements is NOT part of the Organization theme. The theme defines the roles and responsibilities NOT the resource needs. Resource needs are defined within the Plans theme. Ref 7.3.6.3 / 7.3.6.7

b) Incorrect. The project acceptance criteria are captured in the Project Product Description, defined in the Quality theme. Ref 6.3.1.3

c) Correct. The Organization theme does establish responsibilities for managing teams (along with accountability). Ref 5.1

d) Incorrect. The purpose of the Business Case 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 (continued) investment. Ref 4.1

15 Syllabus Topic:SU0204 - Starting up a Project Process

Correct Answer:D

Objective:LL2 - Understand the purpose of a Project Brief.

a) Incorrect. This is a purpose of the Benefits Review Plan. Ref A.1.1

b) Incorrect. The Lessons Log is created during the Starting up a Project process and is updated throughout the project. This may contribute to, but is NOT a purpose of, the Project Brief. Ref 12.4.2

c) Incorrect. The Quality Management Strategy provides this information. Ref 14.4.3

d) Correct. A Project Brief is used to provide a full and firm foundation for the initiation of the project. A.19.1

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16 Syllabus Topic:RK0206.1 - Risk Theme

Correct Answer:D

Objective:LL2 - Understand the purpose of a Risk Management Strategy.

a) Incorrect. This is defined in an organization's risk management policy. Ref 8.3.2

b) Incorrect. This is a purpose of the Risk Register. Ref 8.3.4

c) Incorrect. Specific risk responses are decided in the Plan step of the risk management procedure. Ref 8.3.5.3

d) Correct. The Risk Management Strategy describes the specific risk management techniques and standards to be applied and the responsibilities for achieving an effective risk management procedure. Ref A.24.1

17 Syllabus Topic:PL0201 - Plans Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Plans theme.

a) Incorrect. The purpose of the Plans 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). Ref 7.1

b) Correct. This is a purpose of the Organization theme. Ref 5.1

c) Incorrect. The purpose of the Plans 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). Ref 7.1

d) Incorrect. The purpose of the Plans 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). Ref 7.1

18 Syllabus Topic:DP0201 - Directing a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Directing a Project process.

a) Correct. The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager. Ref 13.1

b) Incorrect. The Initiating a Project process establishes solid foundations for the project. Ref 14.1

c) Incorrect. The Starting up a Project process ensures the prerequisites are in place for initiating a project. Ref 12.1

d) Incorrect. The Controlling a Stage process enables the Project Manager to assign work to be done, monitor such work, deal with issues, report progress to the Project Board and take corrective action. Ref 15.1

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19 Syllabus Topic:SB0203 - Managing a Stage Boundary Process

Correct Answer:D

Objective:LL2 - Understand the context of the Managing a Stage Boundary process.

a) Incorrect. Reviewing stage status takes place in the Controlling a Stage process. Ref 15.4.4

b) Incorrect. Approvals for completed products should be obtained during the Managing Product Delivery process. Ref 16.4.2

c) Incorrect. This happens throughout the Controlling a Stage process and is ad-hoc, as and when an Issue Report arises. Escalation is NOT left until the end of the stage. Ref 15.4.7

d) Correct. The Business Case may be updated in light of any changes from the previous stage, and to reflect any changes in the original estimated costs and timescales of the next Stage Plan. Ref 17.3

20 Syllabus Topic:CH0101 - Change Theme

Correct Answer:A

Objective:LL1 - Recall of the 3 types of issue.

a) Correct. This can often be dealt with informally. Problems or concerns may later be transferred to the Issue Register if after examining them it is decided they need to be treated more formally. Ref 9.2.4 / Table 9.1

b) Incorrect. This is NOT a type of issue. Ref Table 9.1. Follow-on action recommendations are recommended actions related to unfinished work, ongoing issues and risks, and any other activities needed to take a product to the next phase of its life. Ref 18.4.3

c) Incorrect. An Exception Report may be raised as a result of an issue. This is NOT a type of issue. Ref Table 9.1.

d) Incorrect. This is NOT a type of issue. This is a risk. Ref Table 9.1 / 8.2.1

21 Syllabus Topic:OV0203 - Overview and Principles

Correct Answer:D

Objective:LL2 - Understand the characteristics of a project

a) Incorrect. Projects introduce threats and opportunities over and above those we typically encounter in the course of business as usual. Ref 1.3

b) Incorrect. Projects often cross the normal functional divisions within an organization and sometimes span entirely different organizations. This frequently causes stresses and strains. Ref 1.3

c) Incorrect. A project is a temporary organization that is created for the purpose of delivering one or more business products. There are a number of characteristics of project work that distinguishes it from business as usual. Ref 1.3

d) Correct. Projects involve a team of people with different skills working together to introduce a change that will impact others outside the team. Ref 1.3

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22 Syllabus Topic:RK0102 - Risk Theme

Correct Answer:B

Objective:LL1 - Recall the risk response types for a threat.

a) Incorrect. This is a recommended response type used to avoid a threat. Ref Table 8.2

b) Correct. This is a recommended response type used for an opportunity. Ref Table 8.2

c) Incorrect. This is a recommended response type used for either a threat or an opportunity in a pain/gain formula. Ref Table 8.2

d) Incorrect. This is a recommended response type used to transfer a threat to a third party. Ref Table 8.2

23 Syllabus Topic:SB0202 - Managing a Stage Boundary Process

Correct Answer:A

Objective:LL2 - Understand the objectives of the Managing a Stage Boundary process.

a) Correct. An objective of the Managing a Stage Boundary process is for the Project Manager to request authorization from the Project Board to start the next stage. Ref 17.2

b) Incorrect. Risks do NOT have to be closed at the end of a stage. During each of the activities within the Managing a Stage Boundary process, the Issue Register and Risk Register are updated as necessary. Ref 17.4

c) Incorrect. This is an objective of the Managing Product Delivery process, which ensures that work on products allocated to a team is authorized and agreed in a Work Package. Ref. 16.2

d) Incorrect. An Exception Plan may be prepared in this process to show how to recover from a tolerance deviation, but selecting and putting into force actions to resolve the deviation would occur when taking corrective action in the Controlling a Stage process. Ref. 15.4.8

24 Syllabus Topic:IP0202 - Initiating a Project Process

Correct Answer:C

Objective:LL2 - Understand the objectives of the Initiating a Project process.

a) Incorrect. In the Starting up a Project process the project is verified as worthwhile and viable, but the Risk Management Strategy is prepared in the Initiating a Project process. Ref 12.1

b) Incorrect. The Directing a Project process does NOT cover management of risk, it is a Project Board decision-making process. Ref 13.1

c) Correct. The Risk Management Strategy prepared in the Initiating a Project process identifies the risk techniques and standards to be used. Ref 14.2 / 14.4.1

d) Incorrect. The Managing Product Delivery process is used to deliver project work and does NOT describe risk management techniques. Ref 16.1

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25 Syllabus Topic:PG0206.1 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Daily Log.

a) Incorrect. This information is captured in the Stage Plan. Ref A.16.2

b) Correct. The Project Manager should record issues that are being managed informally in the Daily Log. Ref 10.3.3.2 / A.7.1

c) Incorrect. This information is captured in a Product Status Account and Configuration Item Records, NOT the Daily Log. Ref A.18.2 / A.5.2

d) Incorrect. This information is captured in a Highlight Report. Ref A.11.2

26 Syllabus Topic:QU0203 - Quality Theme

Correct Answer:D

Objective:LL2 - Understand the objectives of the quality review technique.

a) Incorrect. This is a project control exercise. Ref 6.3.2

b) Incorrect. This is part of quality planning. Ref 6.2.4

c) Incorrect. The product is developed before a quality review is conducted. Ref 6.3.2

d) Correct. This is a defined objective of the quality review technique. An objective of all quality methods is to involve the people who are interested in the product to gain their acceptance. Ref 6.3.2.1

27 Syllabus Topic:DP0203 - Directing a Project Process

Correct Answer:A

Objective:LL2 - Understand the context of the Directing a Project process.

a) Correct. The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project. Ref 13.3

b) Incorrect. The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project. Ref 13.3

c) Incorrect. The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project. Ref 13.3

d) Incorrect. The Directing a Project process starts on completion of the Starting up a Project process and is triggered by the request to initiate a project. Ref 13.3

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28 Syllabus Topic:PL0202.1 - Plans Theme

Correct Answer:C

Objective:LL2 - Understand the levels of plans, their purpose and the interrelationships between the Project Plan, Stage Plans, Team Plans and an Exception Plan.

a) Incorrect: This plan is optional depending on the size and complexity of the project and the number of resources required. Ref 7.2.6

b) Incorrect. This plan replaces a Project, Stage or Team Plan that is in exception. Ref 7.2.7

c) Correct. All projects should have a Project Plan, even if this simply comprises of Product Descriptions and a schedule. Ref 19.5.1.1

d) Incorrect. NOT all projects are part of a programme. Ref 7.2.3

29 Syllabus Topic:OV0104 - Overview and Principles

Correct Answer:B

Objective:LL1 - Recall the customer/supplier context of a PRINCE2 project

a) Incorrect. PRINCE2 is NOT IT orientated. Ref 5.1

b) Correct. PRINCE2 is based on a customer/supplier environment. Ref 5.1

c) Incorrect. PRINCE2 does NOT cover procurement projects to any depth. Ref 5.1

d) Incorrect. A project may be stand-alone. Ref 5.1

30 Syllabus Topic:RK0201 - Risk Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Risk theme.

a) Incorrect. The Progress theme establishes mechanisms to monitor and compare achievements against planned. Ref 10.1

b) Correct. The purpose of the Risk theme is to identify, monitor and control uncertainty and, as a result, improve the ability of the project to succeed. Ref 8.1

c) Incorrect. The Change theme assesses and controls potential and approved changes to the baseline. Ref 9.1

d) Incorrect. The Plans theme defines the means of delivering the products. Ref 7.1

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31 Syllabus Topic:CH0202 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a change budget.

a) Incorrect. This is risk response and should be funded from a risk budget. Ref 8.3.6

b) Correct. A change budget is a sum of money that the customer and supplier agree will be used to fund the cost of requests for change, and possibly also their analysis costs. Ref 9.3.1.1

c) Incorrect. A risk reduction action should be funded from the risk budget. Ref 8.3.6

d) Incorrect. The Change Authority is a project management team role, funded from the project budget along with other members of the team. Ref 9.3.1.1

32 Syllabus Topic:SU0201 - Starting up a Project Process

Correct Answer:C

Objective:LL2 - Understand the purpose of the Starting up a Project process.

a) Incorrect. This is an objective of the Initiating a Project process. Ref 14.1

b) Incorrect. This is an objective of the Directing a Project process. Ref 13.1

c) Correct. The Starting up a Project process is a lighter process compared to the more detailed and thorough Initiating a Project process. Ref 12.1

d) Incorrect. The suite of management products make up the Project Initiation Documentation which is created during the Initiating a Project process. Ref 14.3

33 Syllabus Topic:OR0203.2 - Organization Theme

Correct Answer:B

Objective:LL2 - Understand the role of the Project Manager.

a) Incorrect. The Project Board is responsible for change control and only they can decide to delegate responsibility for this. Ref 9.3.1.1

b) Correct. The Project Manager is responsible for documenting the Communication Management Strategy during the Initiating a Project process. Ref 5.3.5.3

c) Incorrect. Setting of stage tolerance is a Project Board responsibility. Ref 10.3.1.1

d) Incorrect. The Project Manager will document the customer's quality expectations in the Starting up a Project process, but they are approved by the Project Board NOT the Project Manager. Ref 12.4.4 / 13.4.1

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34 Syllabus Topic:PG0204 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the factors in identifying management stages.

a) Incorrect. The number of management stages required will be dictated by the nature and duration of the project. For short-duration projects, the introduction of multiple stages could result in unnecessary overheads and additional costs. Ref 10.3.2.1

b) Correct. The availability of Team Managers is NOT a consideration when defining management stages. Management stages equate to commitment of resources and authority to spend. Ref 10.3.2.3

c) Incorrect. Defining management stages is fundamentally a process of balancing where the key decision points need to be on the project. Ref 10.3.2.1

d) Incorrect. Management stages can be very useful as a means of bringing Project Board control to risky projects. Stage breaks can be inserted at key points when risks to the project can be reviewed before major commitment of money or resources. Ref 10.3.2.2

35 Syllabus Topic:DP0202 - Directing a Project Process

Correct Answer:C

Objective:LL2 - Understand the objectives of the Directing a Project process.

a) Incorrect. The Managing Product Delivery process is focused on accepting, executing and delivering the product work. Ref 16.1

b) Incorrect. The Benefits Review Plan is created in this process, but it is a Project Board responsibility to ensure that it is managed and reviewed within the Directing a Project process. Ref 14.4.7 / 13.2

c) Correct. Plans for achieving the expected benefits should be created in the Initiating a Project process, but it is an objective of the Directing a Project process to ensure that the plan is managed and reviewed. Ref 14.4.7 / 13.2

d) Incorrect. This is too early as the Benefits Review Plan has NOT been created at this point in the project. The Benefits Review Plan is created in the Initiating a Project process, which follows the Starting up a Project process. Ref 13.2

36 Syllabus Topic:CH0203.3 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of an Issue Report.

a) Incorrect. (4) An Issue Report is a report containing the description, impact assessment and recommendations for a request for change, off-specification or problem/concern. Ref A.13.1

b) Correct. (3) An Issue Report is only created for those issues that need to be handled formally. Ref A.13.1

c) Incorrect. (2) The Issue Report is amended in order to record the option decided upon, and finally updated when the implementation has been verified and the issue is closed. Ref A.13.1

d) Incorrect. (1) Any off-specification that the Project Manager wishes to manage formally should be added to the Issue Register and an Issue Report created for it to capture details already known about the issue. Ref A.13.1/ 9.3.3.1

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37 Syllabus Topic:IP0204 - Initiating a Project Process

Correct Answer:C

Objective:LL2 - Understand the purpose of the Project Initiation Documentation.

a) Incorrect. In the Initiating a Project process, the Project Brief is extended and refined in the Project Initiation Documentation, after which the Project Brief is no longer maintained. Ref A.19.1

b) Incorrect. The Product Status Account provides information about the status of products. Ref A.18.1

c) Correct. The purpose of the Project Initiation Documentation is to define the project, in order to form the basis for its management and an assessment of its overall success. Ref A.20.1

d) Incorrect. A Configuration Item Record records the history, status, version and variant of each configuration item. Ref A.5.1

38 Syllabus Topic:PL0203 - Plans Theme

Correct Answer:C

Objective:LL2 - Understand the product-based planning technique.

a) Incorrect. All major products are shown in the product breakdown structure: those that are to be created by internal resources, and those to be created by an external third party supplier. Ref 7.3.3.2

b) Incorrect. The product breakdown structure should identify all those products that are within the scope of the plan. Ref 7.3.3.2

c) Correct. A product breakdown structure does NOT identify resources required to produce the products. Ref 7.3.3.2

d) Incorrect. All major products are shown in the product breakdown structure: those that are to be created in the project, and those to be created by an external third party supplier. Ref 7.3.3.2

39 Syllabus Topic:BC0101 - Business Case Theme

Correct Answer:D

Objective:LL1 - Recall the definition of a project output, an outcome, a benefit and a dis-benefit.

a) Incorrect. An output is any of the project's specialist products and can be either tangible or intangible. Ref 4.2.2

b) Incorrect. An outcome is derived from using the project outputs, whereas benefits may NOT be realized for some time after project closure. Ref 4.2.2

c) Incorrect. An output is any of the project's specialist products, and the way they are used is part of the outcome. Ref 4.2.2

d) Correct. A benefit is the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders. Ref 4.2.2

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40 Syllabus Topic:MP0201 - Managing Product Delivery Process

Correct Answer:C

Objective:LL2 - Understand the purpose of the Managing Product Delivery process.

a) Incorrect. This is where work is assigned and monitored. Ref 15.1

b) Incorrect. This is where a project is reviewed and its continued viability confirmed. Ref 17.1

c) Correct. This is a purpose of Managing Product Delivery. Ref 16.1

d) Incorrect. This is where a project is given approval to proceed. Ref 13.1

41 Syllabus Topic:OV0103 - Overview and Principles

Correct Answer:B

Objective:LL1 - Recall the 4 integrated elements.

a) Incorrect. Principles is one of the integrated elements, being the core on which PRINCE2 is based. Ref 1.5.3

b) Correct. Techniques is NOT one of the integrated elements. Ref 1.5.3

c) Incorrect. Themes is one of the integrated elements. Ref 1.5.3

d) Incorrect. Tailoring the method to suit the environment is one of the integrated elements. Ref 1.5.3

42 Syllabus Topic:RK0202 - Risk Theme

Correct Answer:B

Objective:LL2 - Understand the steps within the recommended risk management procedure.

a) Incorrect. This is part of the risk management procedure activity to plan responses to the risk. Ref 8.3.5.3

b) Correct. The primary goal of the 'Identify context' step is to obtain information about the project in order to understand the specific objectives that are at risk and to formulate the Risk Management Strategy for the project. Ref 8.3.5.1

c) Incorrect. This is done in when reporting highlights as part of the risk management procedure to communicate risks. Ref 8.3.5.5

d) Incorrect. This is part of the 'Identify Risks' step, rather than the 'Identify Context' step. Ref 8.3.5.1

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43 Syllabus Topic:QU0206.1 - Quality Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Project Product Description.

a) Incorrect. This is recorded in the controls section of Project Initiation Documentation. Ref A.20.1

b) Incorrect. This is a purpose of the Project Initiation Documentation. Ref A.20.1

c) Correct. The purpose of the Project Product Description is to define what the project has to deliver in order to gain acceptance. Ref A.21.1

d) Incorrect. The project mandate is the trigger for the project and it provides input to the creation of the Project Product Description. Ref 12.4.4

44 Syllabus Topic:CS0201 - Controlling a Stage Process

Correct Answer:D

Objective:LL2 - Understand the purpose of the Controlling a Stage process.

a) Incorrect. This is a purpose of the Managing Product Delivery process. Ref 16.1

b) Incorrect. This is a purpose of the Managing a Stage Boundary process. Ref 17.1

c) Incorrect. The Stage Plan for the next stage is created in the Managing a Stage Boundary process and approved in the Directing a Project process. Ref 17.1 / 13.4.3

d) Correct. The purpose of the Controlling a Stage process is to assign work, monitor it, deal with issues, report progress and take corrective action to ensure that the stage remains within tolerance. Ref 15.1

45 Syllabus Topic:OR0203.2 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the role of Project Assurance.

a) Incorrect. (4) The Project Manager can also perform the role of Team Manager if no additional Team Manager staff are used. Ref 5.3.2.7

b) Incorrect. (3) The Project Manager can also perform the role of Project Support if no additional Project Support staff are used. Ref 5.3.2.8

c) Correct. (2) The Project Manager CANNOT perform the role of Project Assurance; these two roles must always be kept independent of each other. Ref 5.3.2.3

d) Incorrect. (1) The Project Manager can also perform the role of Change Authority if delegated to them by the Project Board. Ref 5.3.2.4

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46 Syllabus Topic:PL0203 - Plans Theme

Correct Answer:D

Objective:LL2 - Understand the product-based planning technique.

a) Incorrect. This describes a product, NOT the sequence of development of products. Ref 7.3.3.3

b) Incorrect. This is a hierarchical structure which shows the Project Product Description broken down into its major products which are then further broken down until an appropriate level of detail is reached. It does NOT show the sequence of development of products. Ref 7.3.3.2

c) Incorrect. This is a special form of Product Description that defines what the project has to deliver in order to gain customer acceptance. It does NOT show the sequence of development of products. Ref 7.3.3.1

d) Correct. This defines the sequence in which the products of the plan will be developed, and any dependencies between them. Ref 7.3.3.4

47 Syllabus Topic:PG0205 - Progress Theme

Correct Answer:C

Objective:LL2 - Understand when and how tolerances are set and exceptions reported.

a) Incorrect. If a Team Manager is forecast to exceed tolerances agreed in a Work Package, they should raise an issue to the Project Manager. The Project Manager will then advise on corrective actions required. Ref 10.3.4

b) Incorrect. If a Team Manager is forecast to exceed tolerances agreed in a Work Package, they should raise an issue to the Project Manager. The Project Manager will then advise on corrective actions required. Ref 10.3.4

c) Correct. If a Team Manager is forecast to exceed tolerances agreed in a Work Package, they should raise an issue to the Project Manager. The Project Manager will then advise on corrective actions required. Ref 10.3.4

d) Incorrect. If a Team Manager is forecast to exceed tolerances agreed in a Work Package, they should raise an issue to the Project Manager. The Project Manager will then advise on corrective actions required. Ref 10.3.4

48 Syllabus Topic:IP0201 - Initiating a Project Process

Correct Answer:B

Objective:LL2 - Understand the purpose of the Initiating a Project process.

a) Incorrect. The purpose of the Directing a Project process is to enable the Project Board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the Project Manager. Ref 13.1

b) Correct. The Initiating a Project process establishes solid foundations for the project. Ref 14.1

c) Incorrect. The Starting up a Project process ensures the prerequisites are in place for initiating a project. Ref 12.1

d) Incorrect. The Controlling a Stage process enables the Project Manager to assign work to be done, monitor such work, deal with issues, report progress to the Project Board and take corrective action. Ref 15.1

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49 Syllabus Topic:OR0203.3 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the role of Project Assurance.

a) Incorrect. This is a Team Manager responsibility NOT a Project Assurance responsibility. Ref 5.3.2.7

b) Incorrect. The Project Board reporting needs are agreed between the Project Board and the Project Manager and then documented by the Project Manager. Ref 5.3.2.6

c) Correct. Project Assurance have the responsibility to ensure the Project Manager is aware of any corporate standards that apply to the project. Ref 5.3.2.3

d) Incorrect. This is an Executive responsibility NOT a Project Assurance one. Ref 5.3.2.2

50 Syllabus Topic:CP0201 - Closing a Project Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Closing a Project process.

a) Correct. The purpose of the Closing a Project process is to provide a fixed point at which acceptance of the project product is confirmed, and to recognize that objectives set out in the original Project Initiation Documentation have been achieved, or that the project has nothing more to contribute. Ref 18.1

b) Incorrect. There is NOT an end stage assessment at the end of the final stage. Ref 18.3. See rationale A.

c) Incorrect. The Controlling a Stage process describes the work of the Project Manager in handling the day-to-day management of the stage. The achievement of a project's objectives is measured and confirmed during the Closing a Project process. Ref 15.3 / 18.1

d) Incorrect. The Managing Product Delivery process is used to control delivery of the project's products at Work Package level and interfaces with the Controlling a Stage process. Ref 16.1. See rationale A.

51 Syllabus Topic:RK0205 - Risk Theme

Correct Answer:B

Objective:LL2 - The difference between the cause, event and effect of a risk.

a) Incorrect. Risk cause is the trigger of the risk and does NOT describe risk impact. Also risk impact is the effect on the delivery of the project objectives, NOT tolerance. Ref 8.3.5.1

b) Correct. The cause should describe the source of the risk, i.e. the event or situation that gives rise to the risk. Ref 8.3.5.1.

c) Incorrect. This is a definition of the risk effect which is the impact on objectives. Ref 8.3.5.1

d) Incorrect. Likelihood describes the probability of the risk. Ref 8.3.5.2

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52 Syllabus Topic:MP0202 - Managing Product Delivery Process

Correct Answer:B

Objective:LL2 - Understand the objectives of the Managing Product Delivery process..

a) Incorrect. This is where the Project Manager and Team Manager agree the timing of Checkpoint Reports. Ref 10.3.3.4 / 16.4.1

b) Correct. A Team Manager is required to provide Checkpoint Reports at the frequency agreed with the Project Manager in the relevant Work Package. Ref 16.2 / 10.3.3.4 / 16.4.2

c) Incorrect. Checkpoints are a time-driven control and done at a frequency agreed in the Work Package, NOT driven by such events as completing quality-checking activities. Ref 10.3.3.4 / 16.4.2

d) Incorrect. The Team Manager is NOT involved in this activity. Ref 10.3.3.2 / 15.4.4

53 Syllabus Topic:QU0101 - Quality Theme

Correct Answer:B

Objective:LL1 - Recall the recommended quality review team roles.

a) Incorrect. The recommended quality review roles are Chair, Presenter, Reviewer and Administrator. Ref 6.3.2.1

b) Correct. The recommended quality review roles are Chair, Presenter, Reviewer and Administrator. Ref 6.3.2.1

c) Incorrect. The recommended quality review roles are Chair, Presenter, Reviewer and Administrator. Ref 6.3.2.1

d) Incorrect. The recommended quality review roles are Chair, Presenter, Reviewer and Administrator. Ref 6.3.2.1

54 Syllabus Topic:OV0202 - Overview and Principles

Correct Answer:D

Objective:LL2 - Understanding of the seven principles.

a) Incorrect. The continued business justification principle supports the need for a documented justification for the start, continuation and termination of a project. It ensures that decisions are made based on business justification. Ref 2.1

b) Incorrect. The manage by exception principle supports the need for defined tolerances for each project objective to establish limits of delegated authority. It ensures that decisions are made at the right level in the organization. Ref 2.5

c) Incorrect. The focus of products principle supports focusing on the definition and delivery of products, in particular their quality requirements. It ensures there is a common understanding of what is to be delivered. Ref 2.7

d) Correct. A PRINCE2 project is planned, monitored and controlled on a stage-by-stage basis. An outline plan is prepared for the long term, while a detailed plan is only valid for the short term. Ref 2.4

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55 Syllabus Topic:CS0203 - Controlling a Stage Process

Correct Answer:A

Objective:LL2 - The context of the Controlling a Stage process.

a) Correct. For complex projects with a large initiation stage, the Controlling a Stage process can be used to control the activities. Ref 15.3

b) Incorrect. The Controlling a Stage process is used by the Project Manager to manage the day-to-day activities of a stage, NOT a programme. Ref 15.3

c) Incorrect. Support activities are business as usual. Controlling a Stage is a project process. Ref 15.3

d) Incorrect. Creating an Exception Plan is an activity within the Managing a Stage Boundary process. Ref 17.4

56 Syllabus Topic:OR0202 - Organization Theme

Correct Answer:B

Objective:LL2 - Understand the three project interests.

a) Incorrect. Project tolerance levels are set by corporate or programme management. The Project Board sets stage tolerance levels. Ref 5.3.1

b) Correct. The Executive is appointed to ensure that the project is focused on achieving and delivering a product that will achieve the forecast benefits and will deliver value for money. Ref 5.3.2.2 / 5.2.5

c) Incorrect. This is part of the responsibilities/focus of the Senior User who is appointed by the Executive. Ref 5.3.2.2

d) Incorrect. This is part of the responsibilities/focus of the Senior Supplier who is appointed by the Executive. Ref 5.3.2.2

57 Syllabus Topic:QU0202 - Quality Theme

Correct Answer:A

Objective:LL2 - Understand the relationship between quality assurance and Project Assurance.

a) Correct. Quality assurance provides assurance to corporate or programme management on the project's compliance with corporate standards and policies. Project Assurance provides assurance to the project's stakeholders that the project is being conducted properly. Ref Table 6.1

b) Incorrect. Quality assurance is the responsibility of the programme or corporate organization. Ref 6.2.6

c) Incorrect. Quality assurance is independent of the project, Project Assurance is independent of the Project Manager but NOT the project. Ref Table 6.1

d) Incorrect. Project Assurance is the responsibility of the Project Board. Quality assurance is the responsibility of corporate or programme management. Ref Table 6.1

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58 Syllabus Topic:PG0203 - Progress Theme

Correct Answer:B

Objective:LL2 - Understand the concept of management stages and the difference between management stages and technical stages.

a) Incorrect. These are sent by a Team Manager to the Project Manager, so they do NOT provide the Project Board with an indication of project viability. Ref 10.3.3.4

b) Correct. Management stages provide review and decision points, giving the Project Board the opportunity to assess the project viability at regular intervals, rather than let it run on in an uncontrolled manner. Ref 10.3.2

c) Incorrect. Exception situations are NOT pre-planned within the Project Plan. Ref 10.3.4

d) Incorrect. The authorization of project closure is a Project Board control, planned to take place after the Closing a Project process. This is too late to assess project viability. Ref 10.3.1.2

59 Syllabus Topic:CH0201 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of the Change theme.

a) Incorrect. Change is NOT prevented. It is controlled. Ref 9.1

b) Correct. The aim of change control is NOT to prevent change; it is to ensure that every change is agreed by the relevant authority before it takes place. Ref 9.1

c) Incorrect. This is a purpose of Risk theme. Ref 8.1

d) Incorrect. Change can affect management and specialist products. Ref 9.3.2

60 Syllabus Topic:CH0203.5 - Change Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a Product Status Account.

a) Incorrect. This records details for a single configuration item. Ref A.5.1

b) Correct. The Product Status Account provides information about the state of products within defined limits. The limits can vary, e.g. the report could cover the entire project, a particular stage, a particular area of the project, or the history of a specific product. Ref A.18.1

c) Incorrect. Does NOT include version numbers of all products being developed. Ref A16.1

d) Incorrect. Does NOT include version numbers of all products being developed. Ref A.26.1

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61 Syllabus Topic:OV0201 - Overview and Principles

Correct Answer:B

Objective:LL2 - Understand the benefits of PRINCE2.

a) Incorrect. Exclusion of stakeholders is NOT a PRINCE2 concept. Ref 1.7

b) Correct. The allocation of roles and responsibilities helps participants to understand who makes what decisions. Ref 1.7

c) Incorrect. PRINCE2 ensures that stakeholders are involved in assuring project work through roles and the Communication Management Strategy. Ref 1.7

d) Incorrect. Problems are escalated to the appropriate level. Minor ones are unlikely to require escalation to stakeholders. Ref 1.7

62 Syllabus Topic:QU0206.2 - Quality Theme

Correct Answer:B

Objective:LL2 - Understand the purpose of a Product Description.

a) Incorrect. The Project Product Description defines the customer's quality expectations and acceptance criteria. It does NOT contain the quality tolerance of individual products. Ref 6.3.1.3 / Table 10.1

b) Correct. Each Product Description defines the quality tolerance for that product. Ref A.17.1 / 6.3.1.5 / Table 10.1

c) Incorrect. There is no mention of quality tolerance in a Stage Plan. Table 10.1

d) Incorrect. The Quality Management Strategy does NOT define an individual product's quality tolerance. Ref 6.3.1.5 / Table 10.1

63 Syllabus Topic:SB0201 - Managing a Stage Boundary Process

Correct Answer:A

Objective:LL2 - Understand the purpose of the Managing a Stage Boundary process.

a) Correct. The process should be executed at, or close to the end of, each management stage. The process is NOT used at the end of the final stage. Ref 17.1

b) Incorrect. The activities to manage a stage boundary should be planned to take place at, or close to the end of, each management stage. Ref 17.1

c) Incorrect. The activities to manage a stage boundary should be planned to take place at, or close to the end of, each management stage. Ref 17.1

d) Incorrect. The Starting up a Project process is NOT a management stage and therefore does NOT use the Managing a Stage Boundary process. Ref 12.3

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64 Syllabus Topic:RK0203 - Risk Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of a risk budget.

a) Incorrect. Activities defined in the risk management procedure will be funded by the normal project budget, NOT the risk budget.

b) Incorrect. The cost of analyzing a request for change is taken from the change or normal project budget, NOT the risk budget. Ref 9.3.1.1

c) Correct. A risk budget is used to fund specific responses to risks. Ref 8.3.6

d) Incorrect. The activity of identifying risks will be paid for from the normal project budget.

65 Syllabus Topic:OR0101 - Organization Theme

Correct Answer:D

Objective:LL1 - Recall roles within the Organization theme.

a) Incorrect. Corporate or programme management is discussed as a level of management which is pre-existing but is NOT part of the project management team. Ref 5.3.1

b) Incorrect. Quality assurance activities are outside the scope of PRINCE2 as it is the responsibility of the corporate or programme organization. Ref 6.2.6.

c) Incorrect. A stakeholder is described as any individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk). Ref 5.3.5

d) Correct. The Project Board is responsible, via its Project Assurance role, for monitoring all aspects of the project's performance and products independently of the Project Manager. Project Board members are responsible for the aspects of Project Assurance aligned to their respective areas of concern. The Executive is responsible for the business assurance role, which they may appoint a separate individual to perform. Ref 5.3.2.3

66 Syllabus Topic:PG0203 - Progress Theme

Correct Answer:D

Objective:LL2 - Understand the difference between management and technical stages.

a) Incorrect. These would relate to technical stages. Ref 10.3.2.3

b) Incorrect. PRINCE2 does NOT insist on the use of Team Managers. Team Managers relate to technical work, which need NOT coincide with management stages. Ref 10.3.2.3

c) Incorrect. The authorization from corporate has nothing to do with the differentiation from technical stages. Ref 10.3.2

d) Correct. Management stages relate to the element of work that the Project Manager manages on behalf of the Project Board at any one time. Technical stages may be combined or split into management stages. Ref 10.3.2./10.3.2.3

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67 Syllabus Topic:OV0202 - Overview and Principles

Correct Answer:B

Objective:LL2 - Understand the seven principles.

a) Incorrect. The continued business justification principle is followed through regular planned reviews of the Business Case during the life of the project to confirm its continued viability. Ref 2.1

b) Correct. The Project Product Description supports the focus on products principle through clearly defining the project's products, the customer's quality expectations and acceptance criteria. Ref 2.6 / A.21.1

c) Incorrect. The learn from experience principle is used to ensure that project teams learn from previous experience: lessons are sought, recorded and acted upon throughout the life of the project. Ref 2.2

d) Incorrect. The manage by stages principle enables the extent of senior management control over projects to be varied according to the business priority, risk and complexity involved. Ref 2.4

68 Syllabus Topic:QU0204.1 - Quality Theme

Correct Answer:C

Objective:LL2 - Understand the difference between quality planning, quality control and quality assurance.

a) Incorrect. Customer's quality expectations relate to the overall project, NOT individual products. Ref 6.3.1.1

b) Incorrect. Quality test results are NOT determined until the quality check has taken place, so are NOT part of quality planning. Ref 6.3.2

c) Correct. As defined in the respective Product Descriptions given in the Stage Plan approved by the Project Board. Ref 6.3.1

d) Incorrect. Determining who will own a product is NOT the subject of Project Board agreement during quality planning. This is defined in the individual Configuration Item Records. Ref A.5

69 Syllabus Topic:RK0204 - Risk Theme

Correct Answer:D

Objective:LL2 - Understand the risk probability, risk impact and risk proximity.

a) Incorrect. The scale or effect of the risk is referred to as its impact. Ref 8.3.5.2

b) Incorrect. This is the impact of the risk occurring. Ref 8.3.5.2

c) Incorrect. This is a definition of the risk proximity. Ref 8.3.5.2

d) Correct. Probability measures the likelihood of the risk occurring. Ref 8.3.5.2

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70 Syllabus Topic:PG0201 - Progress Theme

Correct Answer:A

Objective:LL2 - Understand the difference between event-driven and time-driven controls.

a) Correct. A Highlight Report is time-driven. Ref 10.3.3

b) Incorrect. An Exception Report is only produced when a Project Manager believes that a stage or the project is likely to exceed tolerances. Ref 10.3.3

c) Incorrect. The Project Initiation Documentation is produced by the final event in initiating a project. Ref 10.3.3

d) Incorrect. The end of a stage is driven by a stage coming to an end and the next stage needing authorization. Ref 10.3.3

71 Syllabus Topic:PG0101 - Progress Theme

Correct Answer:C

Objective:LL1 - Recall the lines of authority and reporting between the four levels of management.

a) Incorrect. Work Package tolerances are agreed between the Project Manager and Team Manager. Ref 10.3.1.1

b) Incorrect. Project tolerances are allocated by corporate or programme management. Ref 10.3.1.1

c) Correct. The Project Board has overall control at project level, as long as forecast remain within project tolerance, and will allocate tolerances for each management stage to the Project Manager. Ref 10.3.1.1

d) Incorrect. The Project Board has overall control at project level, as long as forecast remain within project tolerance, and will allocate tolerances for each management stage to the Project Manager. Ref 10.3.1.1

72 Syllabus Topic:QU0206.2 - Quality Theme

Correct Answer:A

Objective:LL2 - Understand the purpose of the Product Description.

a) Correct. Forecast duration and cost are recorded in the plan containing the Product Description. Ref A.17.1

b) Incorrect. The Product Description contains the skills required to undertake quality control. Ref. A.17.1

c) Incorrect. The Product Description contains its purpose, function and appearance. Ref. A.17.1

d) Incorrect. The Product Description contains the skills required to produce the product. Ref. A.17.1

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73 Syllabus Topic:OR0205 - Organization Theme

Correct Answer:C

Objective:LL2 - Understand the purpose of the Communication Management Strategy.

a) Incorrect. The Communication Management Strategy does NOT ensure this. It informs the project team what reporting is required but it does NOT ensure they can use the required tools. Ref A.4.1

b) Incorrect. The Communication Management Strategy does NOT produce any reports, it defines reporting requirements. Ref A.4.1

c) Correct. The Communication Management Strategy contains a description of the means and frequency of communication to parties both internal and external to the project. Ref A.4.1

d) Incorrect. The Communication Management Strategy documents who the project stakeholders are and what information they require, but it does NOT ensure they are aware of their responsibilities. Ref A.4.1

74 Syllabus Topic:CS0203 - Controlling a Stage Process

Correct Answer:C

Objective:LL2 - Understand the context of the Controlling a Stage process.

a) Incorrect. The Benefits Review Plan does NOT record the threats (risks) to the project and their possible impact on the Business Case. The Benefits Review Plan may be checked during the Controlling a Stage process to see whether any benefits reviews are due, and execute them as necessary. Ref A.1.1 / 15.4.4

b) Incorrect. An End Stage Report is produced during the Managing a Stage Boundary process and should be reviewed by the Project Board during the Directing a Project process. Any new or revised risks identified within the End Stage Report should have been added to the Risk Register during the Managing a Stage Boundary process. Ref 17.4.4

c) Correct. The Risk Register is checked for any new or revised risks and their possible impact on the Business Case. Ref 15.3 / 15.4.4

d) Incorrect. The Risk Management Strategy may be reviewed during the Controlling a Stage process for guidance on the risk management procedure. The Risk Management Strategy does NOT record the threats (risks) to the project and their possible impact on the Business Case. Ref 15.4.6 / A.24.2

75 Syllabus Topic:CP0203 - Closing a Project Process

Correct Answer:B

Objective:LL2 - Understand the context of the Closing a Project process.

a) Incorrect. Closure is NOT a stage. Ref 18.3

b) Correct. Activities are planned in the Stage Plan for the stage in which they are undertaken. Ref 18.3

c) Incorrect. Project closure does NOT take place during the initiation stage. Ref 18.3

d) Incorrect. A Team Manager is NOT responsible for closing a project. The Project Manager is responsible for closing a project. Their way of controlling the day-to-day progress of the stage is via the Stage Plan. Ref 18.3

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Glossary

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PRINCE2:2009 – Glossary of Terms (English)

Term	Definition
accept (risk response)	A risk response to a threat where a conscious and deliberate decision is taken to retain the threat, having discerned that it is more economical to do so than to attempt a risk response action. The threat should continue to be monitored to ensure that it remains tolerable.
acceptance	The formal act of acknowledging that the project has met agreed acceptance criteria and thereby met the requirements of its stakeholders.
acceptance criteria	A prioritized list of criteria that the project product must meet before the customer will accept it, i.e. measurable definitions of the attributes required for the set of products to be acceptable to key stakeholders.
activity	A process, function or task that occurs over time, has recognizable results and is managed. It is usually defined as part of a process or plan.
agile methods	Principally, software development methods that apply the project approach of using short time-boxed iterations where products are incrementally developed. PRINCE2 is compatible with agile principles.
approval	The formal confirmation that a product is complete and meets its requirements (less any concessions) as defined by its Product Description.
approver	The person or group (e.g. a Project Board) who is identified as qualified and authorized to approve a (management or specialist) product as being complete and fit for purpose.
assumption	A statement that is taken as being true for the purposes of planning, but which could change later. An assumption is made where some facts are not yet known or decided, and is usually reserved for matters of such significance that, if they change or turn out not to be true, there will need to be considerable replanning.
assurance	All the systematic actions necessary to provide confidence that the target (system, process, organization, programme, project, outcome, benefit, capability, product output, deliverable) is appropriate. Appropriateness might be defined subjectively or objectively in different circumstances. The implication is that assurance will have a level of independence from that which is being assured. *See also 'Project Assurance' and 'quality assurance'.*

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PRINCE2:2009 – Glossary of Terms (English)

Term	Definition
authority	The right to allocate resources and make decisions (applies to project, stage and team levels).
authorization	The point at which an authority is granted.
avoid (risk response)	A risk response to a threat where the threat either can no longer have an impact or can no longer happen.
baseline	Reference levels against which an entity is monitored and controlled.
baseline management product	A type of management product that defines aspects of the project and, once approved, is subject to change control.
benefit	The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders.
Benefits Review Plan	A plan that defines how and when a measurement of the achievement of the project's benefits can be made. If the project is being managed within a programme, this information may be created and maintained at the programme level.
benefits tolerance	The permissible deviation in the expected benefit that is allowed before the deviation needs to be escalated to the next level of management. Benefits tolerance is documented in the Business Case. *See also 'tolerance'.*
Business Case	The justification for an organizational activity (project), which typically contains costs, benefits, risks and timescales, and against which continuing viability is tested.
centre of excellence	A corporate coordinating function for portfolios, programmes and projects providing standards, consistency of methods and processes, knowledge management, assurance and training.
Change Authority	A person or group to which the Project Board may delegate responsibility for the consideration of requests for change or off-specifications. The Change Authority may be given a change budget and can approve changes within that budget.
change budget	The money allocated to the Change Authority available to be spent on authorized requests for change.
change control	The procedure that ensures that all changes that may affect the project's agreed objectives are identified, assessed and either approved, rejected or deferred.
checkpoint	A team-level, time-driven review of progress.

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Term	Definition
Checkpoint Report	A progress report of the information gathered at a checkpoint, which is given by a team to the Project Manager and which provides reporting data as defined in the Work Package.
closure notification	Advice from the Project Board to inform all stakeholders and the host sites that the project resources can be disbanded and support services, such as space, equipment and access, demobilized. It should indicate a closure date for costs to be charged to the project.
closure recommendation	A recommendation prepared by the Project Manager for the Project Board to send as a project closure notification when the board is satisfied that the project can be closed.
Communication Management Strategy	A description of the means and frequency of communication between the project and the project's stakeholders.
concession	An off-specification that is accepted by the Project Board without corrective action.
configuration item	An entity that is subject to configuration management. The entity may be a component of a product, a product, or a set of products in a release.
Configuration Item Record	A record that describes the status, version and variant of a configuration item, and any details of important relationships between them.
configuration management	Technical and administrative activities concerned with the creation, maintenance and controlled change of configuration throughout the life of a product.
Configuration Management Strategy	A description of how and by whom the project's products will be controlled and protected.
configuration management system	The set of processes, tools and databases that are used to manage configuration data. Typically, a project will use the configuration management system of either the customer or supplier organization.
constraints	The restrictions or limitations that the project is bound by.
contingency	Something that is held in reserve typically to handle time and cost variances, or risks. PRINCE2 does not advocate the use of contingency because estimating variances are managed by setting tolerances, and risks are managed through appropriate risk responses (including the fallback response that is contingent on the risk occurring).

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Term	Definition
corporate or programme standards	These are over-arching standards that the project must adhere to. They will influence the four project strategies (Communication Management Strategy, Configuration Management Strategy, Quality Management Strategy and Risk Management Strategy) and the project controls.
corrective action	A set of actions to resolve a threat to a plan's tolerances or a defect in a product.
cost tolerance	The permissible deviation in a plan's cost that is allowed before the deviation needs to be escalated to the next level of management. Cost tolerance is documented in the respective plan. *See also 'tolerance'.*
customer	The person or group who commissioned the work and will benefit from the end results.
customer's quality expectations	A statement about the quality expected from the project product, captured in the Project Product Description.
Daily Log	Used to record problems/concerns that can be handled by the Project Manager informally.
deliverable	*See 'output'.*
dependencies (plan)	The relationship between products or activities. For example, the development of Product C cannot start until Products A and B have been completed. Dependencies can be internal or external. Internal dependencies are those under the control of the Project Manager. External dependencies are those outside the control of the Project Manager – for example, the delivery of a product required by this project from another project.
dis-benefit	An outcome that is perceived as negative by one or more stakeholders. It is an actual consequence of an activity whereas, by definition, a risk has some uncertainty about whether it will materialize.
DSDM Atern	An agile project delivery framework developed and owned by the DSDM consortium. Atern uses a time-boxed and iterative approach to product development and is compatible with PRINCE2.
embedding (PRINCE2)	What an organization needs to do to adopt PRINCE2 as its corporate project management method. See also, in contrast, 'tailoring', which defines what a project needs to do to apply the method to a specific project environment.

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Term	Definition
End Project Report	A report given by the Project Manager to the Project Board, that confirms the handover of all products and provides an updated Business Case and an assessment of how well the project has done against the original Project Initiation Documentation.
end stage assessment	The review by the Project Board and Project Manager of the End Stage Report to decide whether to approve the next Stage Plan. According to the size and criticality of the project, the review may be formal or informal. The authority to proceed should be documented as a formal record.
End Stage Report	A report given by the Project Manager to the Project Board at the end of each management stage of the project. This provides information about the project performance during the stage and the project status at stage end.
enhance (risk response)	A risk response to an opportunity where proactive actions are taken to enhance both the probability of the event occurring and the impact of the event should it occur.
event-driven control	A control that takes place when a specific event occurs. This could be, for example, the end of a stage, the completion of the Project Initiation Documentation, or the creation of an Exception Report. It could also include organizational events that may affect the project, such as the end of the financial year.
exception	A situation where it can be forecast that there will be a deviation beyond the tolerance levels agreed between Project Manager and Project Board (or between Project Board and corporate or programme management).
exception assessment	This is a review by the Project Board to approve (or reject) an Exception Plan.
Exception Plan	This is a plan that often follows an Exception Report. For a Stage Plan exception, it covers the period from the present to the end of the current stage. If the exception were at project level, the Project Plan would be replaced.
Exception Report	A description of the exception situation, its impact, options, recommendation and impact of the recommendation. This report is prepared by the Project Manager for the Project Board.

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Term	Definition
Executive	The single individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. This individual should ensure that the project maintains its business focus, that it has clear authority, and that the work, including risks, is actively managed. The Executive is the chair of the Project Board. He or she represents the customer and is responsible for the Business Case.
exploit (risk response)	A risk response to an opportunity by seizing the opportunity to ensure that it will happen and that the impact will be realized.
fallback (risk response)	A risk response to a threat by putting in place a fallback plan for the actions that will be taken to reduce the impact of the threat should the risk occur.
follow-on action recommendations	Recommended actions related to unfinished work, ongoing issues and risks, and any other activities needed to take a product to the next phase of its life. These are summarized and included in the End Stage Report (for phased handover) and End Project Report.
governance (corporate)	The ongoing activity of maintaining a sound system of internal control by which the directors and officers of an organization ensure that effective management systems, including financial monitoring and control systems, have been put in place to protect assets, earning capacity and the reputation of the organization.
governance (project)	Those areas of corporate governance that are specifically related to project activities. Effective governance of project management ensures that an organization's project portfolio is aligned to the organization's objectives, is delivered efficiently and is sustainable.
handover	The transfer of ownership of a set of products to the respective user(s). The set of products is known as a release. There may be more than one handover in the life of a project (phased delivery). The final handover takes place in the Closing a Project process.
Highlight Report	A time-driven report from the Project Manager to the Project Board on stage progress.
host site	A site where project work is being undertaken (for example, an office or construction site).
impact (of risk)	The result of a particular threat or opportunity actually occurring, or the anticipation of such a result.
inherent risk	The exposure arising from a specific risk before any action has been taken to manage it.

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Term	Definition
initiation stage	The period from when the Project Board authorizes initiation to when they authorize the project (or decide not to go ahead with the project). The detailed planning and establishment of the project management infrastructure is covered by the Initiating a Project process.
issue	A relevant event that has happened, was not planned, and requires management action. It can be any concern, query, request for change, suggestion or off-specification raised during a project. Project issues can be about anything to do with the project.
Issue Register	A register used to capture and maintain information on all of the issues that are being managed formally. The Issue Register should be monitored by the Project Manager on a regular basis.
Issue Report	A report containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that need to be handled formally.
Lessons Log	An informal repository for lessons that apply to this project or future projects.
Lessons Report	A report that documents any lessons that can be usefully applied to other projects. The purpose of the report is to provoke action so that the positive lessons from a project become embedded in the organization's way of working and that the organization is able to avoid the negative lessons on future projects.
logs	Informal repositories managed by the Project Manager that do not require any agreement by the Project Board on their format and composition. PRINCE2 has two logs: the Daily Log and the Lessons Log.
management product	A product that will be required as part of managing the project, and establishing and maintaining quality (for example, Highlight Report, End Stage Report etc.). The management products stay constant, whatever the type of project, and can be used as described, or with any relevant modifications, for all projects. There are three types of management product: baselines, records and reports.
management stage	The section of a project that the Project Manager is managing on behalf of the Project Board at any one time, at the end of which the Project Board will wish to review progress to date, the state of the Project Plan, the Business Case and risks, and the next Stage Plan in order to decide whether to continue with the project.
milestone	A significant event in a plan's schedule, such as completion of key Work Packages, a technical stage, or a management stage.

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Term	Definition
off-specification	Something that should be provided by the project, but currently is not (or is forecast not to be) provided. This might be a missing product or a product not meeting its specifications. It is one type of issue.
operational and maintenance acceptance	A specific type of acceptance by the person or group who will support the product once it is handed over into the operational environment.
outcome	The result of change, normally affecting real-world behaviour and/or circumstances. Outcomes are desired when a change is conceived. They are achieved as a result of the activities undertaken to effect the change.
output	A specialist product that is handed over to a user(s). Note that management products are not outputs but are created solely for the purpose of managing the project.
performance targets	A plan's goals for time, cost, quality, scope, benefits and risk.
plan	A detailed proposal for doing or achieving something which specifies the what, when, how and by whom. In PRINCE2 there are only the following types of plan: Project Plan, Stage Plan, Team Plan, Exception Plan and Benefits Review Plan.
planned closure	The PRINCE2 activity to close a project.
planning horizon	The period of time for which it is possible to accurately plan.
portfolio	All the programmes and stand-alone projects being undertaken by an organization, a group of organizations, or an organizational unit.
premature closure	The PRINCE2 activity to close a project before its planned closure. The Project Manager must ensure that work in progress is not simply abandoned, but that the project salvages any value created to date, and checks that any gaps left by the cancellation of the project are raised to corporate or programme management.
prerequisites (plan)	Any fundamental aspects that must be in place, and remain in place, for a plan to succeed.
PRINCE2	A method that supports some selected aspects of project management. The acronym stands for PRojects IN a Controlled Environment.
PRINCE2 principles	The guiding obligations for good project management practice that form the basis of a project being managed using PRINCE2.

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Term	Definition
PRINCE2 project	A project that applies the PRINCE2 principles.
probability	This is the evaluated likelihood of a particular threat or opportunity actually happening, including a consideration of the frequency with which this may arise.
problem/concern	A type of issue (other than a request for change or off-specification) that the Project Manager needs to resolve or escalate.
procedure	A series of actions for a particular aspect of project management established specifically for the project – for example, a risk management procedure.
process	A structured set of activities designed to accomplish a specific objective. A process takes one or more defined inputs and turns them into defined outputs.
producer	The person or group responsible for developing a product.
product	An input or output, whether tangible or intangible, that can be described in advance, created and tested. PRINCE2 has two types of products – management products and specialist products.
product breakdown structure	A hierarchy of all the products to be produced during a plan.
product checklist	A list of the major products of a plan, plus key dates in their delivery.
Product Description	A description of a product's purpose, composition, derivation and quality criteria. It is produced at planning time, as soon as possible after the need for the product is identified.
product flow diagram	A diagram showing the sequence of production and interdependencies of the products listed in a product breakdown structure.
Product Status Account	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.
product-based planning	A technique leading to a comprehensive plan based on the creation and delivery of required outputs. The technique considers prerequisite products, quality requirements and the dependencies between products.

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PRINCE2:2009 – Glossary of Terms (English)

Term	Definition
programme	A temporary flexible organization structure created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organization's strategic objectives. A programme is likely to have a life that spans several years.
project	A temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case.
project approach	A description of the way in which the work of the project is to be approached. For example, are we building a product from scratch or buying in a product that already exists?
Project Assurance	The Project Board's responsibilities to assure itself that the project is being conducted correctly. The Project Board members each have a specific area of focus for Project Assurance, namely business assurance for the Executive, user assurance for the Senior User(s), and supplier assurance for the Senior Supplier(s).
project authorization notification	Advice from the Project Board to inform all stakeholders and the host sites that the project has been authorized and to request any necessary logistical support (e.g. communication facilities, equipment and any project support) sufficient for the duration of the project.
Project Brief	Statement that describes the purpose, cost, time and performance requirements, and constraints for a project. It is created pre-project during the Starting up a Project process and is used during the Initiating a Project process to create the Project Initiation Documentation and its components. It is superseded by the Project Initiation Documentation and not maintained.
Project Initiation Documentation	A logical set of documents that brings together the key information needed to start the project on a sound basis and that conveys the information to all concerned with the project.
project initiation notification	Advice from the Project Board to inform all stakeholders and the host sites that the project is being initiated and to request any necessary logistical support (e.g. communication facilities, equipment and any project support) sufficient for the initiation stage.
project lifecycle	The period from the start-up of a project to the acceptance of the project product.

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PRINCE2:2009 – Glossary of Terms (English)

Term	Definition
project management	The planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks.
project management team	The entire management structure of the Project Board, and Project Manager, plus any Team Manager, Project Assurance and Project Support roles.
project management team structure	An organization chart showing the people assigned to the project management team roles to be used, and their delegation and reporting relationships.
Project Manager	The person given the authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the Project Board.
project mandate	An external product generated by the authority commissioning the project that forms the trigger for Starting up a Project.
project office	A temporary office set up to support the delivery of a specific change initiative being delivered as a project. If used, the project office undertakes the responsibility of the Project Support role.
Project Plan	A high-level plan showing the major products of the project, when they will be delivered and at what cost. An initial Project Plan is presented as part of the Project Initiation Documentation. This is revised as information on actual progress appears. It is a major control document for the Project Board to measure actual progress against expectations.
project product	What the project must deliver in order to gain acceptance.
Project Product Description	A special type of Product Description used to gain agreement from the user on the project's scope and requirements, to define the customer's quality expectations, and to define the acceptance criteria for the project.
Project Support	An administrative role in the project management team. Project Support can be in the form of advice and help with project management tools, guidance, administrative services such as filing, and the collection of actual data.
proximity (of risk)	The time factor of risk, i.e. when the risk may occur. The impact of a risk may vary in severity depending on when the risk occurs.

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Term	Definition
quality	The totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bears on its ability to show that it meets expectations or satisfies stated needs, requirements or specifications.
quality assurance	An independent check that products will be fit for purpose or meet requirements.
quality control	The process of monitoring specific project results to determine whether they comply with relevant standards and of identifying ways to eliminate causes of unsatisfactory performance.
quality criteria	A description of the quality specification that the product must meet, and the quality measurements that will be applied by those inspecting the finished product.
quality inspection	A systematic, structured assessment of a product carried out by two or more carefully selected people (the review team) in a planned, documented and organized fashion.
quality management	The coordinated activities to direct and control an organization with regard to quality.
Quality Management Strategy	A strategy defining the quality techniques and standards to be applied, and the various responsibilities for achieving the required quality levels, during a project.
quality management system	The complete set of quality standards, procedures and responsibilities for a site or organization. In the project context, 'sites' and 'organizations' should be interpreted as the permanent or semi-permanent organization(s) sponsoring the project work, i.e. they are 'external' to the project's temporary organization. A programme, for instance, can be regarded as a semi-permanent organization that sponsors projects – and it may have a documented quality management system.
quality records	Evidence kept to demonstrate that the required quality assurance and quality control activities have been carried out.
Quality Register	A register containing summary details of all planned and completed quality activities. The Quality Register is used by the Project Manager and Project Assurance as part of reviewing progress.
quality review	*See 'quality inspection'.*

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Term	Definition
quality review technique	A quality inspection technique with defined roles and a specific structure. It is designed to assess whether a product that takes the form of a document (or similar, e.g. a presentation) is complete, adheres to standards and meets the quality criteria agreed for it in the relevant Product Description. The participants are drawn from those with the necessary competence to evaluate its fitness for purpose.
quality tolerance	The tolerance identified for a product for a quality criterion defining an acceptable range of values. Quality tolerance is documented in the Project Product Description (for the project-level quality tolerance) and in the Product Description for each product to be delivered.
records	Dynamic management products that maintain information regarding project progress.
reduce (risk response)	A response to a risk where proactive actions are taken to reduce the probability of the event occurring by performing some form of control, and/or to reduce the impact of the event should it occur.
registers	Formal repositories managed by the Project Manager that require agreement by the Project Board on their format, composition and use. PRINCE2 has three registers: Issue Register, Risk Register and Quality Register.
reject (risk response)	A response to a risk (opportunity) where a conscious and deliberate decision is taken not to exploit or enhance an opportunity, having discerned that it is more economical to do so than to attempt a risk response action. The opportunity should continue to be monitored.
release	The set of products in a handover. The contents of a release are managed, tested and deployed as a single entity. *See also 'handover'.*
reports	Management products providing a snapshot of the status of certain aspects of the project.
request for change	A proposal for a change to a baseline. It is a type of issue.
residual risk	The risk remaining after the risk response has been applied.
responsible authority	The person or group commissioning the project (typically corporate or programme management) who has the authority to commit resources and funds on behalf of the commissioning organization.

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Term	Definition
reviewer	A person or group independent of the producer who assesses whether a product meets its requirements as defined in its Product Description.
risk	An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.
risk actionee	A nominated owner of an action to address a risk. Some actions may not be within the remit of the risk owner to control explicitly; in that situation there should be a nominated owner of the action to address the risk. He or she will need to keep the risk owner apprised of the situation.
risk appetite	An organization's unique attitude towards risk taking that in turn dictates the amount of risk that it considers is acceptable.
risk estimation	The estimation of probability and impact of an individual risk, taking into account predetermined standards, target risk levels, interdependencies and other relevant factors.
risk evaluation	The process of understanding the net effect of the identified threats and opportunities on an activity when aggregated together.
risk management	The systematic application of principles, approaches and processes to the tasks of identifying and assessing risks, and then planning and implementing risk responses.
Risk Management Strategy	A strategy describing the goals of applying risk management, as well as the procedure that will be adopted, roles and responsibilities, risk tolerances, the timing of risk management interventions, the tools and techniques that will be used, and the reporting requirements.
risk owner	A named individual who is responsible for the management, monitoring and control of all aspects of a particular risk assigned to them, including the implementation of the selected responses to address the threats or to maximize the opportunities.
risk profile	A description of the types of risk that are faced by an organization and its exposure to those risks.
Risk Register	A record of identified risks relating to an initiative, including their status and history.

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Term	Definition
risk response	Actions that may be taken to bring a situation to a level where exposure to risk is acceptable to the organization. These responses fall into a number of risk response categories.
risk response category	A category of risk response. For threats, the individual risk response category can be avoid, reduce, transfer, accept or share. For opportunities, the individual risk response category can be exploit, enhance, reject or share.
risk tolerance	The threshold levels of risk exposure which, when exceeded, will trigger an Exception Report to bring the situation to the attention of the Project Board. Risk tolerances could include limits on the plan's aggregated risks (e.g. cost of aggregated threats to remain less than 10% of the plan's budget), or limits on any individual threat (e.g. any threat to operational service). Risk tolerance is documented in the Risk Management Strategy.
risk tolerance line	A line drawn on the summary risk profile. Risks that appear above this line cannot be accepted (lived with) without referring them to a higher authority. For a project, the Project Manager would refer these risks to the Project Board.
role description	A description of the set of responsibilities specific to a role.
schedule	Graphical representation of a plan (for example, a Gantt chart), typically describing a sequence of tasks, together with resource allocations, which collectively deliver the plan. In PRINCE2, project activities should only be documented in the schedules associated with a Project Plan, Stage Plan or Team Plan. Actions that are allocated from day-to-day management may be documented in the relevant project log (i.e. Risk Register, Daily Log, Issue Register, Quality Register) if they do not require significant activity.
scope	For a plan, the sum total of its products and the extent of their requirements. It is described by the product breakdown structure for the plan and associated Product Descriptions.
scope tolerance	The permissible deviation in a plan's scope that is allowed before the deviation needs to be escalated to the next level of management. Scope tolerance is documented in the respective plan in the form of a note or reference to the product breakdown structure for that plan. *See 'tolerance'.*

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Term	Definition
Senior Responsible Owner	A UK government term for the individual responsible for ensuring that a project or programme of change meets its objectives and delivers the projected benefits. The person should be the owner of the overall business change that is being supported by the project. The Senior Responsible Owner (SRO) should ensure that the change maintains its business focus, that it has clear authority, and that the context, including risks, is actively managed. This individual must be senior and must take personal responsibility for successful delivery of the project. The SRO should be recognized as the owner throughout the organization. The SRO appoints the project's Executive (or in some cases may elect to be the Executive).
Senior Supplier	The Project Board role that provides knowledge and experience of the main discipline(s) involved in the production of the project's deliverable(s). The Senior Supplier represents the supplier interests within the project and provides supplier resources.
Senior User	The Project Board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.
share (risk response)	A risk response to either a threat or an opportunity through the application of a pain/gain formula: both parties share the gain (within pre-agreed limits) if the cost is less than the cost plan; and both share the pain (again within pre-agreed limits) if the cost plan is exceeded.
specialist product	A product whose development is the subject of the plan. The specialist products are specific to an individual project (for example, an advertising campaign, a car park ticketing system, foundations for a building, a new business process etc.) Also known as a deliverable or output.
sponsor	The main driving force behind a programme or project. PRINCE2 does not define a role for the sponsor, but the sponsor is most likely to be the Executive on the Project Board, or the person who has appointed the Executive.
stage	*See 'management stage' or 'technical stage'.*
Stage Plan	A detailed plan used as the basis for project management control throughout a stage.
stakeholder	Any individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk).

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Term	Definition
start-up	The pre-project activities undertaken by the Executive and the Project Manager to produce the outline Business Case, Project Brief and Initiation Stage Plan.
strategy	An approach or line to take, designed to achieve a long-term aim. Strategies can exist at different levels – at the corporate, programme and project level. At the project level, PRINCE2 defines four strategies: Communication Management Strategy, Configuration Management Strategy, Quality Management Strategy and Risk Management Strategy.
supplier	The person, group or groups responsible for the supply of the project's specialist products.
tailoring	The appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, control, governance and use of the processes and themes (whereas the adoption of PRINCE2 across an organization is known as 'embedding').
Team Manager	The person responsible for the production of those products allocated by the Project Manager (as defined in a Work Package) to an appropriate quality, timescale and at a cost acceptable to the Project Board. This role reports to, and takes direction from, the Project Manager. If a Team Manager is not assigned, then the Project Manager undertakes the responsibilities of the Team Manager role.
Team Plan	An optional level of plan used as the basis for team management control when executing Work Packages.
technical stage	A method of grouping work together by the set of techniques used, or the products created. This results in stages covering elements such as design, build and implementation. Such stages are technical stages and are a separate concept from management stages.
theme	An aspect of project management that needs to be continually addressed, and that requires specific treatment for the PRINCE2 processes to be effective.
time tolerance	The permissible deviation in a plan's time that is allowed before the deviation needs to be escalated to the next level of management. Time tolerance is documented in the respective plan. *See also 'tolerance'*.
time-driven control	A management control that is periodic in nature, to enable the next higher authority to monitor progress – e.g. a control that takes place every two weeks. PRINCE2 offers two key time-driven progress reports: Checkpoint Report and Highlight Report.

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Term	Definition
tolerance	The permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management. There may also be tolerance levels for quality, scope, benefit and risk. Tolerance is applied at project, stage and team levels.
tranche	A programme management term describing a group of projects structured around distinct step changes in capability and benefit delivery.
transfer (risk response)	A response to a threat where a third party takes on responsibility for some of the financial impact of the threat (for example, through insurance or by means of appropriate clauses in a contract).
trigger	An event or decision that triggers a PRINCE2 process.
user acceptance	A specific type of acceptance by the person or group who will use the product once it is handed over into the operational environment.
user	The person or group who will use one or more of the project's products.
variant	A variation on a baselined product. For example, an operations manual may have an English variant and a Spanish variant.
version	A specific baseline of a product. Versions typically use naming conventions that enable the sequence or date of the baseline to be identified. For example, Project Plan version 2 is the baseline after Project Plan version 1.
waterfall method	A development approach that is linear and sequential with distinct goals for each phase of development. Once a phase of development is completed, the development proceeds to the next phase and earlier phases are not revisited (hence the analogy that water flowing down a mountain cannot go back).
Work Package	The set of information relevant to the creation of one or more products. It will contain a description of the work, the Product Description(s), details of any constraints on production, and confirmation of the agreement between the Project Manager and the person or Team Manager who is to implement the Work Package that the work can be done within the constraints.

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