Corporate or Program Management

- Project Mandate

Left margin labels (top to bottom): Corp/Prog | Direction | Management | Delivery | Four Management levels:

Stage columns

Pre-Project | **Initiation Stage** | **Production Stage I** | **Production Stage II**

Directing a Project (DP)

| Authorize Initiation | Authorize The Project | Authorize A Stage or Exception Plan | Give Ad-Hoc Direction | Authorize A Stage or Exception Plan | Give Ad-Hoc Direction | Authorize Project Closure |

- Notification (above Authorize The Project)
- Notification (above Authorize A Stage or Exception Plan)
- Authorization
- Notification (above Give Ad-Hoc Direction)
- Premature Stage End
- Next Stage or ExceptionPlan
- Authorization
- Notification (above Give Ad-Hoc Direction)
- Premature Stage End
- Notification (above Authorize Project Closure)

- Project Initiation Document
- Next Stage or ExceptionPlan
- Highlight Report or Exception Report / Escalated Issues
- Next Stage or ExceptionPlan
- Highlight Report or Exception Report

Starting Up a Project (SU)

- Project Brief
- Initiation Stage Plan

| Appoint Executive & Project Manager |
| Capture Previous Lessons |
| Design & appoint Proj. Man. Team |
| Select Project approach & assemble the Project Brief |
| Prepare outline Business Case |
| Plan Initiation Stage |

Initiating a Project (IP)

- Prepare Risk Man. Strat.
- Prepare Quality Man.Strat
- Prepare Configuration Man.Strat.
- Prepare Communication Man.Strat
- Set-up Project Controls
- Create project plan
- Refine the Business Case
- Assemble The PID

Manage a Stage Boundary (MSB)

- Plan the next Stage
- Or, Produce an exception plan
- Update the Project Plan
- Update the Business Case
- Report Stage End

Controlling a Stage (CS) — Production Stage I

- Authorize Work Packages
- Receive completed Work packages
- Review work package status
- Capture and examine issues & risks
- Review Stage Status
- Take Corrective action
- Report Highlights
- Escalate issues and risks

Manage a Stage Boundary (MSB) — Production Stage I

- Plan the next Stage
- Or, Produce an exception plan
- Update the Project Plan
- Update the Business Case
- Report Stage End

(orange box):
- **Highlight Report**
- **Work Package**
- **End Stage Report**
- **Exception Report**
- **Issue Report**
- **Update Issue Register**
- **Update Lessons Log**
- **Lessons Report**
- **Product Status account**

Controlling a Stage (CS) — Production Stage II

- Authorize Work Packages
- Receive completed Work packages
- Review work package status
- Capture and examine issues & risks
- Review Stage Status
- Take Corrective action
- Report Highlights
- Escalate issues and risks

Close Project (CP)

- Prepare planned closure
- Or, Prepare premature closure
- Hand over products
- Evaluate the project
- Recommend project closure

Manage Product Delivery (MP) — Production Stage I

| Accept Work Package | Execute Work Package | Deliver Work Package |

Manage Product Delivery (MP) — Production Stage II

| Accept Work Package | Execute Work Package | Deliver Work Package |

Bottom reference boxes

Project Mandate

Project Brief
- Project Definition
- Outline Business Case
- Proj. Product. Description
- Proj. Approach
- PMT Structure
- Role descriptions
- References

Initiation Stage Plan

Daily Log

Lessons Log

Business Case
- Exec Summary
- Reasons
- Expected Benefits
- Expected dis-benefits
- Timescale
- Costs
- Investment appraisal
- Major Risks

Plan (Stage, Project, Team)
- Plan description
- Prerequisites
- Dependencies
- Assumptions
- Lessons
- Monitoring & control
- Budgets
- Tolerances
- Prod. Descriptions
- Schedule

Project Initiation Document
- Extracts from P.Brief
- Risk Man. Strategy
- Quality Man. Strategy
- Config Man. Strategy
- Communication Man.Strategy
- **Proj Man Team** structure
- Role descriptions
- Detailed Business Case
- Project Plan
- Project Controls

Next Stage Plan
Benefits Review Plan

Configuration Item Records
Issue Register
Quality Register
Risk Register

Highlight Report
- Date
- Reporting Period
- Status Summary
- Products & work packages
- This reporting period
- Next reporting period
- Project & Stage tolerances
- Requests for Change
- Key issues & risks
- Lessons Report

Checkpoint Report
- Date, period
- Follow-ups
- This/next reporting period
- Work Package tolerance status
- Issues & risks

Additional work estimates

Acceptance Records
(See Project Product Description)

End Project Report
- Follow-on actions rec's
- Lessons report

Update / close
- Project Plan
- Configuration item records
- Benefits review plan
- Registers:
  - Issue Register,
  - Quality Register,
  - Risk Register,
  - Daily Log

The four integrated elements of PRINCE2

Seven Principles
1. Continued business justification
2. Learn from experience
3. Defined roles and responsibilities
4. Manage by stages
5. Manage by exception
6. Focus on products
7. Tailor to suit the project environment.

Seven Themes
1. Business Case (Why?)
2. Organization (Who?)
3. Quality (What?)
4. Plans (How? How Much? When?)
5. Risk (What if?)
6. Change (What's the impact?)
7. Progress (On Target? Tolerance?)

Seven Processes
1. Starting Up A Project (SU)
2. Directing A Project (DP)
3. Initiating a Project (IP)
4. Controlling A Stage (CS)
5. Managing Product Delivery (MP)
6. Managing Stage Boundaries (MSB)
7. Closing a Project (CP)

Tailoring PRINCE2 to create fit with project environment and context of the project.

PRINCE2 can be tailored to any type or size of project.

Tolerances:
Tolerances on the 6 project objectives help delegate authority - **Management by Exception.**

Tolerance Area/Management Prod.:
- Business Case (B)
- Project Plan (T,C,S) Risk.strat.(R)
- Stage Plan (T,C.S.R)
- Work Package (T,C,S,R)
- (Project) Product Description (Q)

(Scope tol.of plans defined by products)

(wheel: Time, Cost, Quality, Scope, Risk, Benefit)

Project assurance is responsibility of project board; Checking on all aspects of project performance

Quality assurance is responsibility of Corporate or Programme management (Quality policies outside the project). It provides stakeholders with confidence that quality requirements can be fulfilled

Quality assurance should not be confused with Project Assurance. Project assurance refers to the Project Board's accountability

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Business Case
Purpose is to judge if project is/remains desirable, viable, achievable. Projects products enable business to achieve benefits:
- **Output:** project's specialist products
- **Outcome:** derived from using project's outputs
- **Benefit:** measurable improvement perceived by stakeholders.

Objectives depend on project type:
- Feasibility study
- Compulsory project
- Not-for-profit project
- Evolving project
- Customer/supplier project
- Multi-organization project.

BC lifecycle:
- **Develop:** get information to make decisions (SU & IP)
- **Verify:** assess if project is (still) worthwhile (CS)
- **Maintain:** Update costs, benefits and forecasts (MSB)
- **Confirm:** if benefits are/will be Realized, mostly post-project. (MSB, CP, post project)

(diagram: Project Outputs → Enable → Business Changes → Create → Desired Outcomes → Measured in → Benefits → Helps achieve one or more → Strategic Objectives; Also Cause → Side effects and consequences → Realize further / Result in → Dis-benefits)

Quality
The Quality Audit Trail

Quality Planning

From Customer:
- Customer's Quality expectations
- Acceptance Criteria
- Project Product Description

PRINCE2 Product Based Planning Technique

PRINCE2 quality review technique

Project Response:
- Quality Managem. Strategy
- Product Descriptions
- Quality Register
- **Product**
- Quality Approval Records
- Acceptance Records

Quality Components:
- Quality Criteria and Tolerances
- Quality Methods
- Quality Responsibilities

Quality Control

Quality planning: to control quality, there must be a plan defining the products required of the project, with their respective quality criteria, quality methods (including effort required for quality control and product acceptance) and the quality responsibilities of those involved.
Quality Expectations in broad terms (Robust, fast, etc.). **Acceptance Criteria** are Measurable; Rated: MoSCoW Expectations & Criteria are in **Project Product Description**

Quality assurance :
- Establishes and maintains a quality management system
- Reviews a projects organization, processes, products to assess if quality will be met.

Quality assurance is independent of the **P**roject **M**anagement **T**eam,it is a corporate responsibility, but quality planning and control are done by the project. The project is responsible that quality assurance is arranged.

Quality control focuses on the operational techniques and activities used by those involved in the project to:
- Fulfil 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)

Risk
Purpose of Risk theme is to identify, assess and control uncertainty and, as a result, improve the ability of the project to succeed. In the context of a project, it is the project's objectives that are at risk. These will include completing the project to a number of targets, covering time, cost, quality, scope, benefits and risk.

Risk Appetite: an organisations attitude to risk taking. **Risk tolerance:** amount of risk that is acceptable

Risk Management procedure:
- **Identify context;** obtain information on project to understand specific objectives at risk and formulate **Risk Management Strategy.**
- **Identify risks;** recognize the threats and opportunities that may affect the project's objectives.
- **Assess** threats and opportunities to the project in terms of probability and impact. Risk proximity describes how quickly risk can materialize .
- **Plan;** prepare management responses to threats and opportunities;remove/ reduce threats, maximize opportunities.
- **Implement;** action risk responses, monitor effectiveness, take corrective action

Communicate

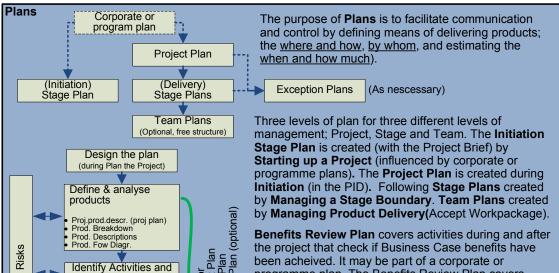| Threat Responses	Opportunity Responses
Avoid	Exploit
Reduce (probability and/or impact)	Enhance
Fallback (reduces impact only)	
Transfer (reduces impact only, and often only the financial impact)	
Share	
Accept	Reject

Risk Owner: responsible for management, monitoring, control of all aspects of a risk, including implementation of responses. **Risk Actionee:** caries out actions

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				5

Numbers from Risk Register

Organization
Business Executive: looks after business interests; products to meet business needs, value for money.
Senior User: represents users requirements on project's outputs; who:
- Will use the project outputs to realize benefits after the project
- Will operate, maintain or support the project's outputs
- Will be impacted by project outputs

Senior User specifies outputs and ensures delivery.
Supplier: represents those who will provide skills and produce project product.

(Organization chart: Corporate or program management; Project Management Team (PMT); Project Board: Senior User, Business Executive, Senior Supplier; Change Authority; Project Assurance; Project Manager; Project Support; Team Manager; Team Members)

Change Authority: Board can delegate authority for RFC's or off-spec's. Severity ratings in Configuration Man. Strategy list who handles requests :
- Corporate/programme management
- Project Board
- Change Authority
- Project Manager.

Delegated authorities are written into role descriptions.

Project Assurance: Project Board Checks all aspects of the project's performance independent of Project Manager. PB members are responsible for aspects of Project Assurance from their respective areas: business, user or supplier. If they have no time or skills they appoint separate individuals
Project Manager: responsible for day-to-day management of project within constraints set by Project Board. Project Manager ensures that project produces required products within set tolerances.
Project Support: Responsibility of Project Manager. He can delegate work to Project Support: administrative services, they advice on project management tools, configuration management, provide specialists for planning or risk management.
Team Manager: ensures creation of products in workpackage. Role may be combined with PM

Plans
The purpose of **Plans** is to facilitate communication and control by defining means of delivering products; the where and how, by whom, and estimating the when and how much).

(diagram: Corporate or program plan → Project Plan → (Initiation) Stage Plan / (Delivery) Stage Plans → Exception Plans (As nescessary) → Team Plans (Optional, free structure))

(Product based planning steps - Repeated for Project Plan, Stage Plan, Team Plan (optional), Analyse Risks:
- Design the plan (during Plan the Project)
- Define & analyse products
  - Proj.prod.descr. (proj plan)
  - Prod. Breakdown
  - Prod. Descriptions
  - Prod. Fow Diagr.
- Identify Activities and dependencies
- Prepare Estimates
- Prepare the schedule
- Document the plan)*

Three levels of plan for three different levels of management; Project, Stage and Team. The **Initiation Stage Plan** is created (with the Project Brief) by **Starting up a Project** (influenced by corporate or programme plans). The **Project Plan** is created during **Initiation** (in the PID). Following **Stage Plans** created by **Managing a Stage Boundary. Team Plans** created by **Managing Product Delivery**(Accept Workpackage).

Benefits Review Plan covers activities during and after the project that check if Business Case benefits have been acheived. It may be part of a corporate or programme plan. The Benefits Review Plan covers corporate, project and stage levels. Created during **Initiation**, updated during **Managing a Stage Boundary**

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(Stage or project).

Progress
Progress describes mechanisms to: monitor and compare achievements against plans, forecast project's objectives and viability, control deviations within tolerances, escalate deviations outside tolerances.
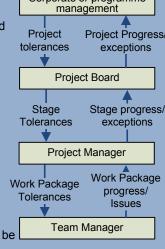
It contributes to the principles "Managing by stages", "Continued business justification", "Manage by exception". It can be monitored at Work Package, Stage and Project level. Each level of the PMT can check the next level:
- Monitor progress
- Compare level of achievement with plan
- Review plans and options against future situations
- Detect problems and identify risks
- Initiate corrective action
- Authorize further work.

Tolerances are permissible deviations above and below a plan's target for time and cost without escalating to the next level. There may also be tolerance for quality, scope, benefit and risk. **Exception** is when it can be forecast that there will be a deviation beyond the agreed tolerance levels.

(diagram: Corporate or programme management ↔ Project Board ↔ Project Manager ↔ Team Manager; Project tolerances, Project Progress/exceptions, Stage Tolerances, Stage progress/exceptions, Work Package Tolerances, Work Package progress/Issues)

Specialist work aligned to management stages

Management Stage 1	Management Stage 2	Management Stage 3	Management Stage 4
Specification			
Over all design	Detailed Design	Peripheral design	Commissioned Facility
	Training Syllabus	Built facility	
		Trained Staff	

Change
To identify, assess and control any potential changes to the baseline and get them approved or dis-approved. Issue and change control is the continual activity throughout the project that identifies possible changes. Without ongoing effective issue and change control, a project will become unresponsive to stakeholders or drift out of control. **Issues** cover all relevant events; **Concern**, **Request for Change**, or **Off-Specifications**

Configuration management is the administrative activity concerned with maintaining a controlled configuration throughout the life of a product. **Baselines** are management products, once approved they are subject to Change control (Benefits review plan, Business Case, All Strategies in the PID, plans, (Project) product description, Brief, PID and Workpackage) **Procedure**: Planning, Identification, Control, Status acc., Verification & Audit

Steps: Establish Controls, Set-up a Configuration Management procedure and set-up a Change Control procedure, (Also see Change Authority in the PMT descriptions). A change budget prevents that Project's or Stage tolerances are "eaten" by changes.

	Starting Up a Project (SU)	Directing A Project (DP)	Initiating A Project (IP)	Managing Stage Boundaries (MSB)	Controlling a Stage (CS)	Managing Product Delivery (MP)	Closing a project (CP)
Business Case	During Start Up an outline Business Case is compiled together with the Project End Product. This is used to judge the viability and feasibility of the project	Consecutive versions of the Business Case are approved during: Authorize Initiation Authorize Project Authorize Stage or Exception Plan	After planning the project and setting-up project controls the Detailed Business Case is created together with the Benefits Review Plan	After the next stage is planned The project Plan and Business Case are updated including the Benefits Review Plan	The business case is verified against issues and risks	Issues are identified that may impact the Business Case (See Controlling A Stage) (CS)	The Benefits Review Plan is updated
Organization	During StartUp the first action is to appoint a Project Executive and a Project Manager.After examining lessons from earlier projects the Project Management Team (PMT) is designed and appointed	The PMT structure and roles are approved as part of the Project Brief and the PID	During IP some extra roles may be described in the strategies for Quality, Risk and Configuration Management	Some role adjustments are possible for a following stage	-	-	Once the Project Board confirmed project closure the resources can be released from the project. A review of team performance will be part of the project evaluation
Quality	The Quality Theme is triggered during SU when the Project Product Description is made with the Quality Expectations and Acceptance Criteria	Project Product Description (SU) and Product Descriptions (IP) are approved (Baselined) by the Project Board	A Quality Management Strategy is created. The Project Product Description is improved and Product Descriptions are generated also the Quality Register is created	Product Descriptions are made or updated Quality review is planned and the Quality Register is updated	Quality issues are dealt with within tolerances or escalated to the Project Board	Quality Review Technique is used to accept products	Acceptance records are obtained
Plans	The last step during Start Up is the making of the Initiation Stage Plan	Approval of: • Initiation Stage Plan (SU), • Project Plan (IP), • Stage Plan (MSB) • Exception Plan (MSB) • Updated Project Plan (MSB), • Benefits Review Plan (IP, MSB)	Plans are designed and overall Project Plan is created	Stage or Exception Plan is created	Stage Plan and Project Plan are used to control progress Work Packages are created	Work Packages are accepted and optional Team Plans are created	Project Plan is updated
Risk	During Start Up some major risks may be identified as part of the outline Business Case	Approval of Risk Management Strategy, Risk planning, Risk Tolerances and Risk Budget	Prepare the Risk Management Strategy	Manage Risk	Manage Risk	Manage Risk	Handover of Risk Register, evaluate and feed Lessons Learned
Change	The Quality Expectations in the Project Product Description may provide clues to implementing this theme during Initiation	Approval of Configuration Management Strategy & setting the Change Budget	Prepare the Configuration Management Strategy & establish procedures for Configuration Management, issue & change control	Manage issues	Manage issues	Manage issues	Handover of products according to the Configuration Management Strategy
Progress	Project tolerances are set by Corporate or Program Management	Stage tolerances are set by the Project Board	Define Management Stages, establish event-driven and time-driven controls. Format highlight and checkpoint reports	Update Project Plan & set stage tolerances in Stage Plan	Monitor Progress against Stage Plan	Monitor Progress against Stage and optional Team Plan	Evaluate project and feed Lessons Learned