

Project Management

The art and science of achieving results

PRINCE2 Introduction

What is PRINCE2?

- A globally recognized, structured project management methodology.
- Stands for **P**rojects **I**N **C**ontrolled **E**nvironments.
- Provides a flexible and adaptable framework for managing projects of any size or type.

Introducing PRINCE2 7:

- The newest version of the framework, released in 2024.
- Reflects the modern project landscape, incorporating agile, digital, and data-driven principles.
- Focuses on sustainability, digital transformation, and people management.

Why PRINCE2 7?

- **Universal:** Applicable to any project, in any industry.
- **Value-driven:** Aligns projects with organizational goals and benefits.
- **People-focused:** Emphasizes the importance of the project team and stakeholders.
- **Tailorable:** The framework can be scaled and adapted to fit the specific needs of your project.

Project

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

Five characteristics of a project

1. Change
2. Temporary
3. Cross-functional
4. Unique
5. Uncertainty

Project Management

Project management is the application of methods, tools, techniques, and competencies to enable the project to meet its objectives.

Typical challenges

- ambiguity regarding who is responsible for what aspects of the project, leading to confusion and a lack of accountability
- ambiguity or conflict regarding what the project will deliver, costs, and when
- unrealistic expectations regarding what the project will deliver, costs, and when
- unavailability of resources or reassigning resources to business as usual activities over project work
- difficulty in estimating effort, durations, and costs for project work
- uncontrolled change (sometimes referred to as scope creep)
- difficulty keeping the project management team and stakeholders informed, engaged, and motivated during the project lifecycle.

Performance Target

The project's performance target sets the expected success level against which the management of the project will be judged.

Seven aspects of project management

1. benefits,
2. cost,
3. time,
4. quality,
5. scope,
6. sustainability,
7. risk.

Prince2 Structure

- **PRINCE2 principles** The principles are the guiding obligations that determine whether the project is genuinely being managed using PRINCE2.
- **People** Projects need people, mainly those working on the project and those affected by the project. An understanding of the needs, capabilities, and motivations of the people involved and the relationships between them is crucial to how the project is established and managed.
- **PRINCE2 practices** The practices describe essential aspects of project management that must be applied consistently and throughout the project lifecycle.
- **PRINCE2 processes** The seven processes describe the entire project lifecycle, from activities before getting started, through the stages of project delivery, and to the final act of project closure. Each process has checklists of recommended activities and related responsibilities.
- **The project context** The principles, practices, and processes are applied by the people involved to ensure that the method is fit for the project context.

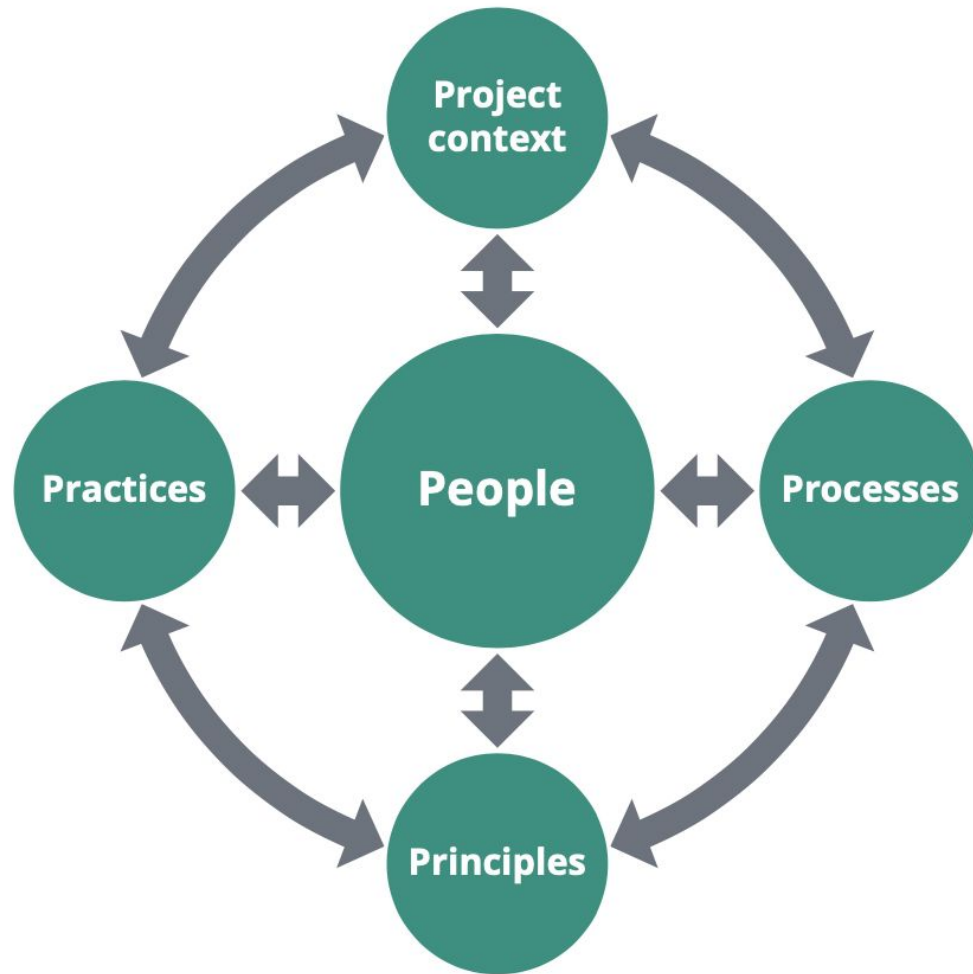


Figure 1.1 The five integrated elements of PRINCE2

PRINCE2 Principles

The seven PRINCE2 principles are:

1. ensure continued business justification

- a. A PRINCE2 project has business justification sufficient to warrant investment to initiate the project and ongoing investment through to successful completion. If it does not, it should be stopped.

2. learn from experience

- a. A PRINCE2 project team actively seeks, records, and implements improvements as a result of relevant lessons learned from prior projects and throughout the life of the project. It applies them in future projects and shares them for others to apply.

3. define roles, responsibilities, and relationships

- a. A PRINCE2 project has defined and agreed roles and responsibilities within an organization structure that engages the business, user, and supplier stakeholder interests. Moreover, a PRINCE2 project management team initiates and builds relationships with and between internal and external stakeholders.

PRINCE2 Principles

4. manage by exception

- a. A PRINCE2 project establishes limits of delegated authority by defining tolerances for performance against its plans

5. manage by stages

- b. A PRINCE2 project is planned, monitored, and controlled on a stage-by-stage basis.
- c. Stage is the section of a project that the project manager is managing on behalf of the project board at any one time.

6. focus on products

- d. A PRINCE2 project focuses on the definition and delivery of products, in particular their user quality expectations and requirements.

7. tailor to suit the project.

- e. PRINCE2 is applied and tailored to suit the project environment, size, complexity, importance, delivery method, team capability, and level of risk.

People

The purpose of a project is to deliver change, which will affect people in their business as usual (BAU) activities, routines, and responsibilities. How well the change is implemented, and therefore how well the project performs, depends on the capabilities of the project team, the strength of the relationships between them, and the people impacted by the change.

1. Leading successful change
2. Leading successful teams
3. Communication
4. People are central to the method

People

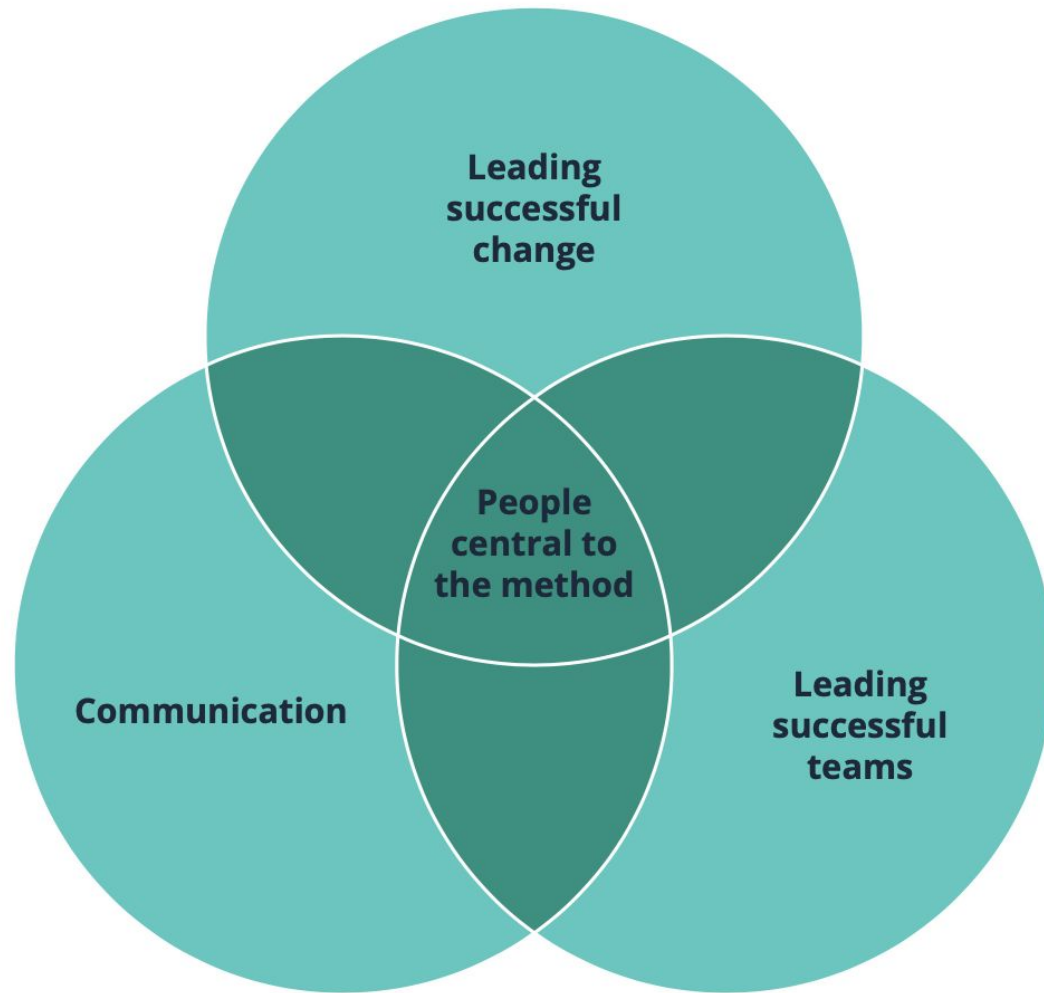


Figure 3.3 People central to the method

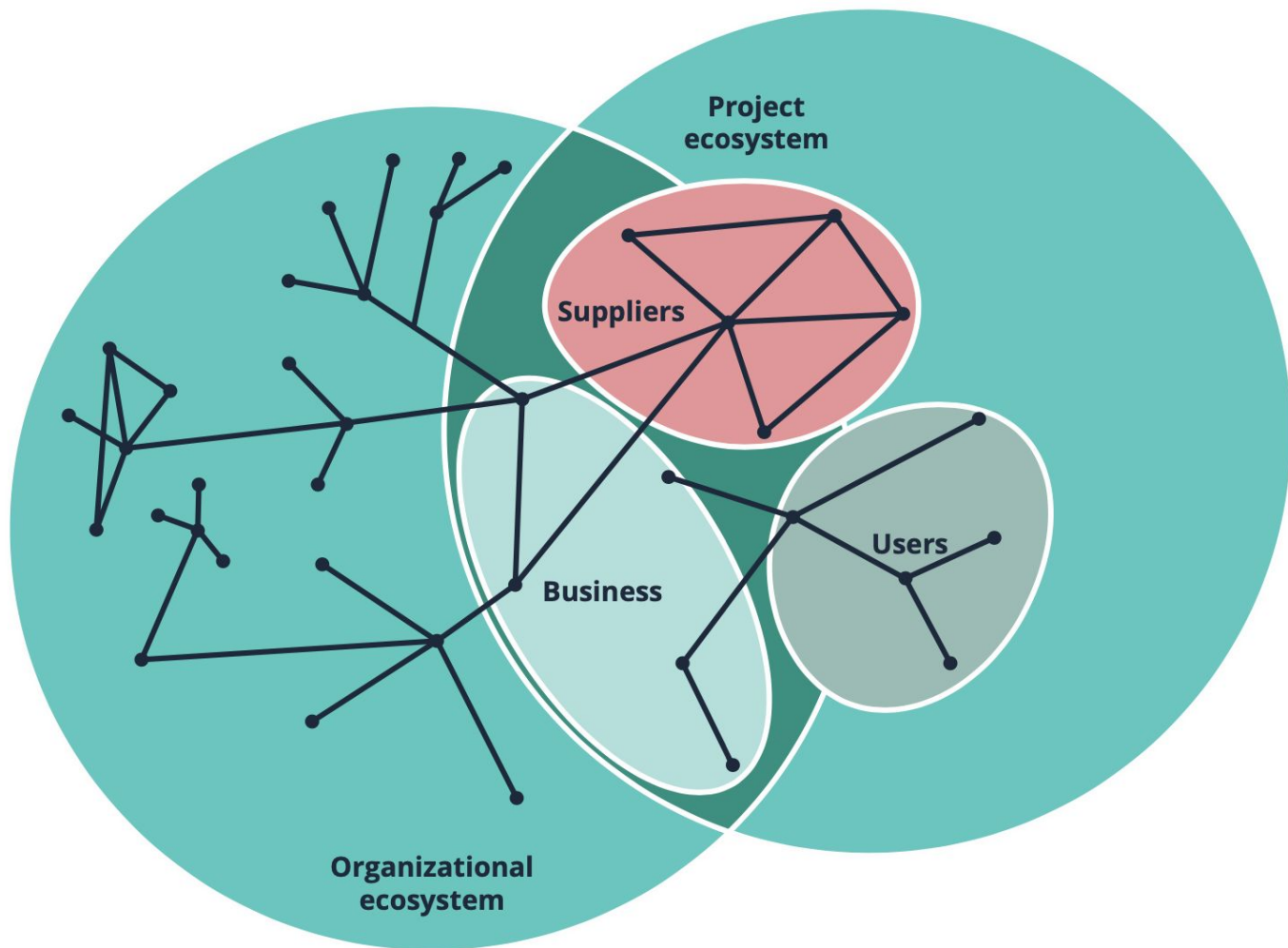


Figure 3.2 The three project interests

PRINCE2 Practices

1. Business Case

- a. The purpose of the business case practice 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.

2. Organizing

- a. The purpose of the organizing practice is to define and establish the project's structure of accountability and responsibilities (the 'who').

3. Plans

- a. The purpose of the plans practice is to facilitate communication and control by defining the products to be delivered (the 'what') and the means to deliver them (the 'who', the 'how', the 'where', and estimates of the 'when' and for 'how much') to satisfy the project business case (the 'why').

4. Quality

- a. The purpose of the quality practice is to document the user's requirements of the project products and to establish the means by which they will be met.
- b. The degree to which a set of inherent characteristics of a product, service, process, person, organization, system, or resource fulfils its requirements.

PRINCE2 Practices

5. Risk

- a. The purpose of the risk practice is to identify, assess, and control uncertainties that would affect the project's objectives, and, as a result, improve the ability of the project to succeed.

6. Issues

- b. The purpose of the issues practice is to collect and assess issues and control changes to the project's baseline.

7. Progress

- c. The purpose of the progress practice is to:
 - i. establish mechanisms to monitor and compare actual achievements against those planned
 - ii. provide a forecast for the project's objectives and continued viability
 - iii. control any deviations causing an exception.

PRINCE2 Processes

Process: A structured set of activities that define the sequence of actions and their inputs and outputs to achieve a specific objective.

1. Starting up a project
2. Directing a project
3. Initiating a project
4. Controlling a stage
5. Managing product delivery
6. Managing a stage boundary
7. Closing a project

	Pre-project	Initiation stage	Subsequent stage(s)	Final stage
Directing	Starting up a project	Directing a project		
Managing		Managing a stage boundary Initiating a project	Managing a stage boundary Controlling a stage	Closing a project Controlling a stage
Delivering			Managing product delivery	Managing product delivery

Note

- Starting up a project is used by both the directing and managing levels.
- There should be at least two 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.

Figure 12.1 The PRINCE2 processes

References

- Managing Successful Projects with PRINCE2® - Andy Murray - 2023