CONTENTS

ACKNOWLEDGEMENTS.

EVENT PREPARATION INSTRUCTIONS – *PLEASE READ AND FOLLOW CAREFULLY*

This Pre-course Workbook has been created and designed specifically to help you prepare for your PRINCE2® training course, in conjunction with the On-line Event Preparation materials. It has been designed to eliminate the need for you to read the **full** official PRINCE2® manual and consequently avoid the risk of you being saturated and potentially overwhelmed with unnecessary amounts of information within the PRINCE2® manual *prior to* the course.

Rest assured you are not expected, nor should you expect yourself, to become a fully-fledged PRINCE2® 'expert' before the course, rather be reasonably well prepared so that we can 'hit the floor running' from the very beginning of the course.

PRINCE2® consists of four **integrated elements** ('Processes', 'Themes', 'Principles' and 'The Project Environment') and contains many specific terms. Being familiar with these elements and specific terms before the course means you should have, from the outset, a reasonable degree of understanding of what your trainer will be talking about, making your learning a far more effective and rewarding experience.

Reading the information in this document, and *following the instructions carefully,* will get you well prepared for your course, putting you at a level of learning that will help you to quickly and easily move to the next level of learning during the course.

On-line Event Preparation
This Pre-course Workbook should be carefully followed and used in conjunction with your '**On-line Event Preparation**' **('on-line' materials are indicated by a hash '#' symbol in this section of this Workbook).**

The **On-line Event Preparation** contains the following useful learning resources which should be used to help you prepare for the course. You will also have access to hundreds of sample Foundation exam questions, (within a 'Foundation Test Simulation') which we highly recommend that you attempt *repeatedly* both prior to and over the period of the course, before you take the Foundation exam:

- **# Foundation and Practitioner Exam Syllabi.** The syllabi will show you what you should be learning and what areas of PRINCE2® you could be examined on. The syllabi are useful as 'checklists', in particular for Foundation exam preparation, to see what you should know, whether you know it and section references to where you'll find the related information in the PRINCE2® manual. Until you receive your PRINCE2® manual, you should use the **'Key Learning Points'** section *within this Pre-course Workbook*, which are very useful, as they provide a 'summary' of all the *key points* within the PRINCE2® manual and have been aligned to the Foundation syllabus learning areas.
- **# Animated Process Model.** Whilst reading the 'Purpose', 'objective' and 'context' sections for each of the 7 Processes within the 'Key Learning Points' section of this Pre-course Workbook, you can use this Animated Process Model to help as a visual 'roadmap' of the process interfaces and the documentation (management products) trail of PRINCE2®.

 # NOTE: If, for some reason, you cannot access your Online Event Preparation, perhaps due to internet access problems, don't worry, as reading this Pre-course Workbook alone will still get you reasonably well prepared for the course, but please contact your training provider if you are having difficulties.

- **# Sample Foundation Exam**
  There is an *official* sample Foundation exam paper for you to attempt (printable PDF format) or can be viewed on screen, as well as an interactive 'Foundation Test Simulation' containing **hundreds** of questions for you to attempt both prior to and outside of your course sessions.
- **# Sample Practitioner Exam** (**ONLY review this if preparing for Practitioner level qualification**)
  There are official sample Practitioner exam questions for you to attempt (printable PDF format) or can be viewed on screen.

So, What Now?

This Pre-course Workbook is composed of the following sections, **which should be read in conjunction with your On-line Event Preparation**, **prior to the course:**
(The 'On-line' materials which are referred to in this Workbook are contained within your On-line Event Preparation, and are indicated by a hash '#' symbol).

- **PRINCE2® Primer**
Reading this section first will give you some background to PRINCE2® and its four integrated elements.

- **Key Learning Points**
Reading this section will help with your overall *theory* and *terminology* knowledge of PRINCE2's 7 principles, 7 processes and 7 themes. Whilst reading this section, you may wish to refer to the 'Glossary of Terms' section of this workbook to help with some of the terminology being used.

- **PRINCE2® Management Products**
This section introduces you to the 'names' and 'purpose' of all PRINCE2's 26 Management Products which provide useful 'management information' and are used for progress monitoring and decision-making purposes during the life of a project.

- **# Sample Foundation Exam Questions**
After reading the 'PRINCE2® Primer', 'Key Learning Points' and 'PRINCE2® Management Products' sections, it would be beneficial to attempt some Foundation exam questions using the 'Sample Foundation Exam Paper', as well as attempting some of the **hundreds** of foundation exam questions within the Foundation Test simulator, **both of which will be found within your On-line Event Preparation**. You should attempt and review these Foundation exam questions, on-and-off, *as many times as you can,* prior to the course. Preparation and practice are both key to your learning and exam preparation. Do not worry if you get some questions wrong (we often learn more from making mistakes) and perhaps find the questions difficult and/or confusing at this point, as attempting them prior to the course, and completing the course itself, will better prepare you for the Foundation exam!

Note that the Foundation exam questions include 'reference codes' (e.g. 1.1a, 2.1b, 3.1.1a, etc), as part of the 'Test Feedback' when you exit the test. These 'reference codes' are related to the respective Foundation Syllabus areas they were testing you on. You have access to the **# 'PRINCE2 Foundation Syllabus'** on your **On-line Event Preparation**. Again this is a 'PDF' file, and can be opened and viewed on-screen, or printed out.

- **Simple Project Scenario Example**
Reading this section will help you reach the next level of understanding. Using and elaborating on some of the information from 'PRINCE2® Primer', 'Key Learning Points' and 'PRINCE2® Management Products' sections, this document is designed to give you an initial understanding and appreciation of how PRINCE2® can be *tailored* and *applied* to a 'simple' project.

 # NOTE: If, for some reason, you cannot access your Online Event Preparation, perhaps due to internet access problems, don't worry, as reading this Pre-course Workbook alone will still get you reasonably well prepared for the course, but please contact your training provider if you are having difficulties.

- **# Sample Practitioner Exam Questions**
  If you are completing the 'full' **Practitioner level course**, after reading the **'Simple Project Scenario Example'** (mentioned above), you may wish to review and/or attempt some Practitioner exam questions which will be found on your **On-line Event Preparation**. Attempting and/or reviewing the Practitioner exam questions can help build your 'application' level of understanding prior to the course. But do not worry if you find the questions difficult and/or confusing at this point, as the course will get you well prepared for the Practitioner exam!

  To help prepare you for the Practitioner exam, you will find a sample **# 'Practitioner Exam paper'** within your **On-line Event Preparation**. Being a 'PDF' file, it can be opened and viewed on-screen, or printed out.

  The Practitioner exam questions include 'reference codes' (e.g. 1.1a, 2.1b, 3.1.1a, etc) as part of the Answers/Rationale section of the Practitioner Exam Paper. These 'reference codes' are related to the respective Practitioner Syllabus areas they were testing you on. You have access to the **# 'PRINCE2 Practitioner Syllabus'** on your **On-line Event Preparation**. Again this is a 'PDF' file, and can be opened and viewed on-screen, or printed out.

- **Glossary of Terms**
  This section is a Glossary of PRINCE2® terms which will help with your overall understanding of PRINCE2's terminology, some of which is very much *specific* to PRINCE2!

That just leaves us to wish you all the best with your event preparation. If you have ANY questions or concerns regarding your pre-course reading and/or the 'On-line' Event Preparation, please do not hesitate to contact your learning provider who will be happy to help and advise you.

 # NOTE: If, for some reason, you cannot access your Online Event Preparation, perhaps due to internet access problems, don't worry, as reading this Pre-course Workbook alone will still get you reasonably well prepared for the course, but please contact your training provider if you are having difficulties.

This page has been intentionally left blank.

PRINCE2® PRIMER

Introduction – What is PRINCE2?

PRINCE2® (Projects in a Controlled Environment) is a structured project management method that can be applied regardless of project scale, type, organization, geography or culture. It is one of the most widely accepted methods for managing projects worldwide. It isolates the management aspects of project work from the specialist contributions, such as design, construction etc which are easily integrated with the PRINCE2® method. This provides a secure framework for any type of project across multiple areas of business activity such as business change, construction, IT, mergers and acquisitions, research and product development.

So, what is a Project?
*PRINCE2® defines a **project** as being…
"A temporary organization that's created for the purpose of delivering one or more business products according to an agreed Business Case". (* Source: Managing Successful Projects with PRINCE2® 2017 Ed.)*

Benefits and Features

There are many benefits of using PRINCE2® to manage projects, but primarily it:

- ensures that project management is focused on the continuing viability of the project in relation to its Business Case
- involves senior management in the project at the right time and in the right place
- focuses on Products which provides clarity for all parties involved on what the project must deliver, why, when by whom and for whom
- facilitates controls at all levels
- makes the project's progress more visible to management
- provides a communication medium for all project staff
- ensures that work progresses in the correct sequence
- allows the project to be stopped and, if required, re-started completely under management control, at any time in the project's life
- has a well-established User Group dedicated to the support, promotion and strengthening of the method.

PRINCE2® is an integrated framework of **Processes** and **Themes** which address the planning, delegation, monitoring and control of the six variables involved in *any* project, those of Costs, Timescales, Quality, Scope, Risk and Benefits.

PRINCE2® also consists of a set of **Principles** as well as guidance on tailoring to the **'Project Environment'**. The 'Principles', 'Themes', 'Processes' and **'Project Environment'** are what make up the **four** main **integrated elements** of PRINCE2, which are covered in the following section.

PRINCE2® Integrated Elements: Principles, Themes, Processes and the Project Environment

Project Environment

Principles
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

Principles are guiding obligations and
good practice, unless all of them are applied it is not a PRINCE2® project

Themes
Business Case
Organization
Quality
Plans
Risk
Change
Progress

Themes explain the treatment required by PRINCE2® for project management disciplines and why they are necessary

Processes
Starting up a Project
Directing a Project
Initiating a Project
Managing a Stage Boundary
Controlling a Stage
Managing Product Delivery
Closing a Project

Processes provide checklists of recommended activities, products and related responsibilities for progressing through a project lifecycle
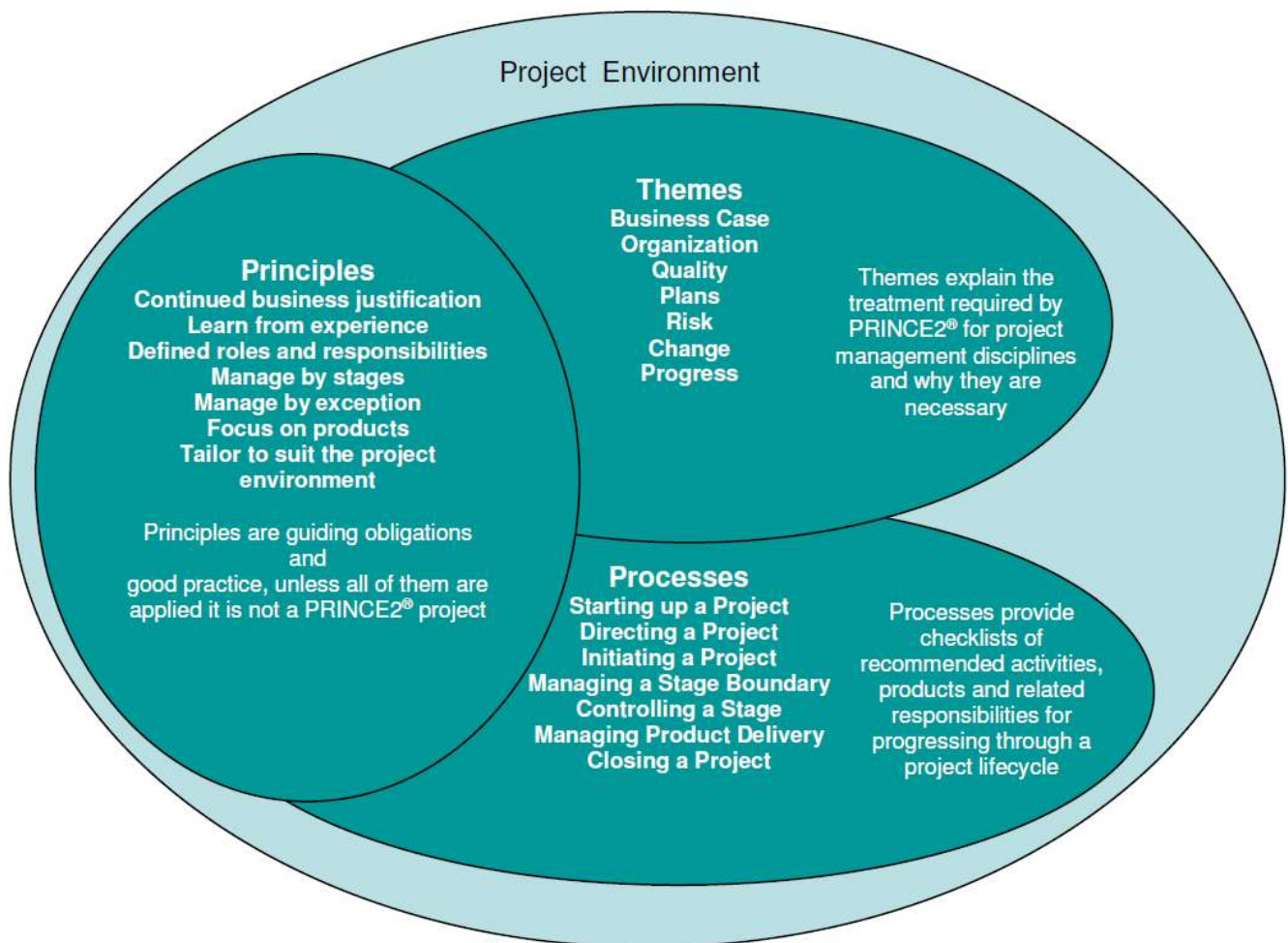
Figure 1 - Principles, Themes, Processes and Project Environment

PRINCE2® Principles

PRINCE2® is based on a set of seven principles that originate from lessons learned from projects both good and bad. If any of these principles are not applied to a project then it cannot be said to be managed using PRINCE2®. These principles are as follows:

Continued business justification

It is a PRINCE2® requirement that the justification for a project is documented in a Business Case, and if that justification is no longer valid then the project should be stopped.

Learn from experience

Because projects are unique and involve a temporary organization for a finite timescale they are often challenging as the team may not have had any previous experience of the management of the work involved. Lessons are sought from previous or similar projects, both internal to the organization and external experience. The project should continue to learn as it progresses and at the end of the project it should pass on lessons.

Defined roles and responsibilities

PRINCE2® roles and responsibilities engage business, user and supplier stakeholder interests. Within PRINCE2®, responsibilities are defined in terms of roles, rather than individuals. Assignment of roles to individuals is a decision for each project to take, and the same individual may be assigned to more than one role or to different roles at different stages of the project. The organization and effective use of people assigned to manage a project need to be considered from the view point both of their specialist skills and their individual personalities. Responsibilities need to be defined within a team structure to ensure that management is both efficient and responsive.

Manage by stages

A PRINCE2® project is divided into a number sequential sections, called management stages, each forming a distinct unit for management purposes. Like the project, a stage is driven by a series of processes, has a defined set of products and activities, a finite lifecycle, control elements, and an organization structure. The delivery of these products, to the agreed quality standards, marks the completion of the management stage. In PRINCE2®, the *minimum* number of management stages is two (one for the initiation stage and at least one further management stage to cover the remainder of the project).

Manage by exception

PRINCE2® uses defined tolerances set against each of the six performance aspects of Time, Cost, Quality, Scope, Risk and Benefit to clearly define accountability at each level of the project management team. Exceptions occur when any of these 6 aspects are forecast to be exceeded, which would then see such events needing to be escalated to the next level of management.

Focus on products

PRINCE2® focuses on the definition and delivery of products, in particular their quality requirements, and recognizes that successful projects are output-orientated and not activity-orientated. An output-orientated project agrees and defines the project's product *before* identifying and undertaking the activities to produce it. PRINCE2® uses product descriptions to make sure there is an explicit understanding of the product's purpose, composition, derivation, format, quality criteria and quality method. These then provide the means to determine effort estimates, resource requirements, dependencies and activity schedules.

Tailor to suit the project

PRINCE2® is designed to be tailored to suit the project's environment, size, complexity, importance, capability and risk. For each organization and each project, the Project Manager and Project Board make a decision on how and how much the method will be applied. PRINCE2® requires management information, which may or may not be in the form of documents. PRINCE2® also requires decisions which may or may not be made within meetings. Project controls should be appropriate to the project's scale, complexity, importance, team capability and risk (e.g. the frequency and formality of reports and reviews).

PRINCE2® Themes

The PRINCE2® themes describe aspects of project management that need to be continually addressed. The strength of PRINCE2® lies in the way that the seven themes are integrated; they are carefully designed to link together effectively. The themes are used throughout the processes to give more detailed guidance on the common aspects of project management that are found in any PRINCE2® project.

All seven themes must be applied but can be tailored according to scale, nature and complexity of the project concerned. The seven PRINCE2® themes are as follows:

Description	Answers	Explanation
Business Case	Why?	This theme addresses how an idea that could have value for the organization is considered and developed into a viable business proposition. It also explains how project management should maintain focus on the business objectives throughout the project. It ensures that a project without a sound business case is not started, and why projects should be stopped if the business case is no longer viable.
Organization	Who?	This theme describes the roles and responsibilities that are required to manage a project effectively. These roles are separate from day-to-day line management. Roles can be shared and combined, within constraints, to suit the needs of each project, but all responsibilities must be fulfilled.
Quality	What?	This theme explains how an initial idea is developed so that all participants understand the quality aspects of the products to be delivered. It also explores how the Project Manager ensures quality is planned, controlled and delivered to the required standards and to the customer's expectations.
Plans	How? How Much? When?	This theme describes the steps required to develop credible plans and how the PRINCE2® approach of product-based planning should be applied. Plans are the focus of communication and control as the project proceeds. It ascertains whether the performance targets of time, cost, quality, scope, benefits and risk *are* achievable.
Risk	What if?	This theme addresses how project management identifies, assesses and manages the uncertainties in its plans and in the wider project environment.
Change	What's the impact?	This theme describes how project management assesses the potential impact of issues and changes on any of the project's performance targets and tolerances of Time, Cost, Quality, Scope, Risk and Benefits. Issues can be problems/concerns, requests for change or off-specifications, raised by anyone with an interest in the project.
Progress	Where are we now? Where are we going?	This theme explains the decision-making process for approving plans, the monitoring of actual performance against the plan, and the means of escalating events that do not go according to plan. This enables the Project Board to determine whether the project should proceed or not.

Table 1 - Themes

PRINCE2® Processes

PRINCE2® uses a 'process-based' approach to project management. There are seven processes in PRINCE2® which provide the set of activities, management products and responsibilities required to direct, manage and deliver a project successfully through its lifecycle.

Processes	Explanation
Starting Up a Project (SU) Pre-Project (For Managing)	Establishes the project's objectives and approach to the project; designs and appoints the project management team; captures lessons from previous or external projects and plans the initiation stage. A description of the end product is created and an outline business case is prepared which looks to answer the question "do we have a worthwhile and viable project?"
Directing a Project (DP) Runs from completion of Starting Up a Project through to the final stage (For Direction)	The Project Board sets direction and makes key decisions throughout the life of the project. This process is "owned" by the Project Board and provides authorisation for work to be carried out and resources to be committed for each management stage. It authorises project initiation, each subsequent management stage, project closure and, in some cases, its premature termination. The Project Board can also give informal and formal advice on issues and risks that arise throughout the life of the project.
Initiating a Project (IP) Initiation Stage (For Managing)	This process plans the entire project at high-level, establishes the project management approaches for risk, quality, communication and change control, as well as project controls. It develops a robust and detailed business case and a means of reviewing benefits realization. The process assembles all the project information into the project initiation documentation (PID).
Managing a Stage Boundary (SB) Initiation Stage and subsequent stage(s) (except the final stage) (For Managing)	During the initiation stage and at the end of each subsequent management stage (except the final one), this process is used to plan the next management stage in detail. It reports on the achievements of the current management stage and the impact on the overall project plan and business case. Plans for the next management stage (showing the products, activities, resource requirements, etc) are put together ready for the Project Board's assessment. Exception plans are also produced when requested by the Project Board.
Controlling a Stage (CS) Subsequent stage(s) and the final stage (For Managing)	This is the day-to-day project management process for each management stage, after initiation. It covers: authorising work to create or change products, collecting and reflecting "actuals" to assess *actual* progress against the plan/tolerances and the reporting of progress to the Project Board. It captures and examines any issues and proposed changes and escalates these, where appropriate, to the Project Board.

Processes continued…

Managing Product Delivery (MP) Subsequent stage(s) and the final stage (For Delivering)	This is where the main "development work" for the project happens, and where the majority of resources are consumed. This process focuses on the creation of the *specialist* products; regular progress (via checkpoint reports) is provided to the Project Manager and the quality methods defined in each specialist product's product description are implemented in order that the products are adequately built, quality checked/tested/reviewed and subsequently approved.
Closing a Project (CP) During the final stage (For Managing)	This includes the activities for closing the project in an orderly way. Acceptance for the project product is confirmed and the projects products are handed over to the customer/user. Any activities required to review benefits that have not yet been realised are documented in the benefits management approach, ready for post-project benefit reviews. The end project report is prepared to include a review of the business case, the projects objectives and team performance against the original version of the PID. A summary of any follow-on action recommendations is created, and lessons are created to be passed on for future reference.

Table 2 - Processes

Project Environment (Tailoring PRINCE2®)

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 required. The method is a web of interlinking parts, as described above, (e.g. themes, processes and principles), which means if any elements are omitted then the project management for the project is weakened, putting the success of the project 'at risk'.

The goal is to *adapt* the method by applying a level of project management that's appropriate, does not overburden the project, but provides the right level of control given the environment within which the project is implemented, based on the project's scale, complexity, importance, team capability and risk. Note however that it's the themes, processes, roles, management products and terminology which should be tailored, NOT the principles.

This page has been intentionally left blank.

KEY LEARNING POINTS

The following Key Learning Points have been adapted/recreated from original textual information from the **Introduction**, **Project Management with PRINCE2®**, **Principles**, **Themes** and **Process** chapters within Managing Successful Projects with PRINCE2®: 2017 Edition.

They are aligned with the Official **Axelos Foundation Syllabus** to help you learn the core concepts and terminology of the method and be able to demonstrate sufficient recall and understanding of the PRINCE2® project management method.

General, Context and Principles

Features and Benefits:

PRINCE2:
- separates the management of project work from the specialist contributions, such as design, construction etc.
- Focusses on describing **what** needs to be done, rather than prescribing **how** everything is done.
- Is based on established and proven best practice and governance for project management
- Can be tailored to meet the specific needs of the organization and scaled to the size and complexity of different projects
- Can be applied to any type of project
- Is widely recognized and understood and provides a common vocabulary for all project participants. In doing so it promotes consistency of project work and the ability to reuse project assets. It also facilitates staff mobility and reduces the impact of personnel changes or handovers
- 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
- Promotes learning from project experience and continual improvement in organizations.

Four Integrated elements of PRINCE2®:

PRINCE2® addresses project management with four integrated elements:
- **Principles** There are 7 principles. Unless all 7 are applied, then it is NOT a PRINCE2® project. They are the guiding obligations
- **Themes** There are 7 themes covering different aspects of project management which must be applied continuously and in parallel throughout the project
- **Processes** There are 7 processes which describing the progression through the project lifecycle, from start through to closure
- **Project environment** Organizations often want a consistent approach to managing projects and so **tailor** PRINCE2® to create their ***own*** project management method This method is then ***embedded*** into the organization's way of working.

What makes a Project a 'PRINCE2®' Project:

For a project to be following PRINCE2, **as a minimum** it must be possible to demonstrate that the project:
- Is applying PRINCE2's principles
- Is meeting the *minimum* requirements set out in the PRINCE2® themes
- Has project processes that satisfy the purpose and objectives of the PRINCE2® processes
- Is either using PRINCE2's recommended techniques or using alternative, equivalent techniques.

What a Project is:

Definition: Project: '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'.

The *characteristics* of project work that distinguish it from business as usual:

Change Projects are the means by which we introduce change.

Temporary As the definition of a project states, projects are temporary in nature. Once the desired change has been implemented, business as usual resumes (in its new form) and the need for the project is removed. Projects should have a defined start and a defined end.

Cross-functional A project involves a team of people with different skills working together (on a temporary basis) to introduce a change that will impact others outside the team. Projects often cross the normal functional divisions within an organization and sometimes span entirely different organizations. This frequently causes stresses and strains both within organizations and between them, for example, customers and suppliers. Each has a different perspective and motivation for getting involved in the change.

Unique Every project is unique. An organization may undertake many similar projects, and establish a familiar, proven pattern of project activity, but each one will be unique in some way: a different team, a different customer, a different location, a different time. All these factors combine to make every project unique.

Uncertainty The characteristics already listed will introduce threats and opportunities over and above those we typically encounter in the course of business as usual. **Projects are more risky.**

The Six Variables to be Controlled:
There are six project variables which need to be controlled, (6 aspects of project performance):
- Costs
- Timescales
- Quality
- Scope
- Benefits
- Risk

Projects in Context:
- PRINCE2® assumes that there will be a customer who will specify the desired result and a supplier who will provide the resources and skills to deliver that result.
- PRINCE2® refers to the organization that commissions a project as "corporate management, programme management, or the customer". This organization is responsible for providing the project's mandate, governing the project, and for realizing any benefits that the project might deliver or enable.
- PRINCE2® refers to a supplier as the person, group or groups responsible for the supply of the project's specialist products.
- Projects can exist within many contexts; they may be stand-alone (with their own business case and justification) or they may be in a **commercial environment** (with separate business cases and justifications for the customer and supplier), or part of a **programme** or wider **portfolio**.

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.

Portfolio

The totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.

Commercial environment

If the project is being run to deliver to a specific set of customer requirements, the customer may have entered into a **commercial** relationship with a supplier following a formal tender. The organization delivering the project (the supplier) will do so in order to satisfy a particular need identified by the customer.

In a commercial environment, sometimes there may be hierarchies of commercial relationships between suppliers, rather than a simple customer/supplier relationship involving just two organizations. There may be a primary commissioning organization (or **one** prime contractor), but there may be **several** customers and/or **several** supplier organizations, each of which may have their own business case for undertaking the project. Examples include:

- o Joint ventures
- o Inter-governmental projects
- o Partnerships.

PRINCE2® Principles:

To be following PRINCE2®, these principles **must** be adopted when managing a project. The seven PRINCE2® principles are:

- o **Continued business justification**. A PRINCE2® project has continued business justification.
- o **Learn from experience**. PRINCE2® project teams learn from experience: lessons are looked for, recorded and acted upon throughout the life of the project.
- o **Defined roles and responsibilities.** A PRINCE2® project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests.
- o **Manage by stages**. A PRINCE2® project is planned, monitored and controlled on a stage-by-stage basis.
- o **Manage by exception**. A PRINCE2® project has defined tolerances for each project objective to establish limits of delegated authority.
- o **Focus on products**. A PRINCE2® project focuses on the definition and delivery of products, in particular their quality requirements.
- o **Tailor to suit the project.** PRINCE2® is tailored to suit the project environment, size, complexity, importance, team capability and risk.

Tailoring PRINCE2® to Suit Different Projects:

Tailoring can be applied to **processes**, **themes**, **roles**, **management products** and **terminology**.
Tailoring is concerned with the appropriate use of PRINCE2® on any given project, ensuring that there is the right amount of governance, planning and control, in accordance with PRINCE2's principles.

- **Processes** may be combined or adapted (for example by adding or combining activities).
- **Themes** can be applied using techniques that are appropriate to the project.
- **Roles** may be combined or split, provided that accountability is maintained and there are no conflicts of interest. (See Organization Theme Section for more detail).
- **Management products** may be combined or split into any number of documents or data sources. They will often take the form of formal documents, but can equally be slide decks, wall charts or data held on IT systems if more appropriate to the project and its environment.
- **Terminology** may be changed to suit other standards or policies, provided it is applied consistently.

The Project Manager is responsible for identifying and documenting the level of tailoring for the project – (documented in the PID), with advice from Project Assurance, Project Support, or a centre of excellence (if one exists). Team Managers may suggest to the Project Manager any tailoring which would help them manage their work packages more effectively.

Starting up a Project (SU)

Purpose of SU:

Ensures the pre-requisites for initiating a project are in place by answering the question: do we have a viable and worthwhile project?

Defines base information about the project for decisions on whether to commission the project. Helps prevent poorly conceived projects from ever being initiated as well as approve the initiation of 'viable' projects.

The main output of SU is the **project brief**. Its **purpose** is: 'To provide a full and firm foundation for the initiation of the project'. In the initiating a project process, the contents of the project brief are extended and refined in the project initiation documentation (PID), after which the project brief is no longer maintained.

Objectives of SU:

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)
- Time is not wasted initiating a project based on unsound assumptions regarding the project's scope, timescales, acceptance criteria and constraints.

Context of SU:

Projects can be identified in a variety of ways and thus have a wide variation in the information available at the time of start-up. PRINCE2® calls the trigger for the project the project mandate, which is provided by the responsible authority which is commissioning the project -typically the corporate, programme management or the customer. The term project mandate applies to whatever information is used to trigger the project, be it a feasibility study or the receipt of a 'request for proposal' in a supplier environment. 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 Board must be provided with sufficient information to make the decision to initiate the project. The project brief is prepared for this purpose.

The effort involved in starting up a project will vary enormously from project to project. If the project is part of a programme, the programme itself should provide the project brief and will appoint some, if not all, members of the Project Board, thus eliminating much of the work required in this process. In such cases, the Project Manager should validate what is provided by the programme and, if necessary, recommend modifications.

The preparation of the outline business case and the assembling of the project brief (which are parallel and iterative activities) require regular and frequent interaction and consultations between the Project Manager, the Project Board members and other stakeholders. The more time spent on getting the requirements clearly captured during the starting up a project process, the more time will be saved during project delivery by avoiding issues, exceptions and re-planning.

The contents of the project brief are later extended and refined into the project initiation documentation (PID) via the initiating a project process.

Directing a Project (DP)

Purpose of DP:

Enables the Project Board to exercise its control and remain accountable for the project's success whilst delegating day to day management of the project to the Project Manager. Provides a structured environment for making key management decisions.

Objectives of DP:

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 the project remains viable
- Corporate, programme management or the customer has an interface to the project
- There is authority to close the project
- Plans for realizing the post-project benefits are managed and reviewed.

Context of 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 covers the activities of the project board and is not concerned with the day-today activities of the Project Manager. The Project Board manages by exception: it monitors via reports and controls through a small number of decision points. There should be no need for other 'progress meetings' for the Project Board. The Project Manager will inform the board of any exception situation. It is also important that levels of authority and decision-making processes are clearly identified.

There needs to be a two-way flow of information between the Project Board and corporate, programme management or the customer during the project. At all times, the Project Board must ensure that the project remains aligned with the strategy of corporate, programme management or the customer.

It is a key role of the Project Board to engage with corporate, programme management or the customer and to act as a communication channel. The requirement for the Project Board to act as a communication channel, and how it is going to do it, should be documented in the communication management approach.

The Project Board should provide unified direction and guidance to the Project Manager. If the Project Board is unable to provide a single view, or if independent, possibly contradictory, advice is given, then the risk of project failure significantly increases. In such cases, the Project Manager should defer to the Executive.

The directing a project process provides a mechanism for the Project Board to meet its responsibility for ensuring that there is continued business justification 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.

Initiating a Project (IP)

Purpose of IP:

Aims to establish solid foundations for the project. Enables the organization to understand the work that needs to be done to deliver the project's products before committing to significant spend.

The main output of IP is the **project initiation documentation (PID)**. Its **purpose** is:
'To define the project, in order to form the basis for its management and an
assessment of its overall success. The PID gives the direction and scope of the project and (along with the stage plan) forms the **'contract'** between the **Project Manager** and the **Project Board**'.
The three primary uses of the PID are to:
- ensure that the project has a sound basis before asking the project board to make any major commitment to the project
- act as a base document against which the project board and project manager can assess progress, issues and ongoing viability questions
- provide a single source of reference about the project so that people joining the 'temporary organization' can quickly and easily find out what the project is about, and how it is being managed.

Objectives of IP:

To ensure that there is a common understanding of:
- 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
- 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
- who needs information, in what format and at what time
- how the corporate, programme management or customer method will be tailored to suit the project.

Context of IP:

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 and what their responsibilities are, so that there can be genuine commitment to it.

The initiating a project process enables the Project Board, via the directing a project process to decide whether or not the project is sufficiently aligned with corporate, programme management or customer objectives to authorize its continuation.

If, instead, the organization proceeds directly from starting up a project to controlling a stage then it may risk committing significant financial resources to a project without fully understanding how its objectives will be achieved.

All activities within the initiating a project process need further consideration if the relationship between the customer and the supplier is a commercial one (e.g. the reasons for undertaking the project as defined in the supplier's business case may be different from those defined in the customer's business case).

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. The Project Manager should have agreed (as part of the initiation stage plan) the means by which the Project Board will review and approve the management products; the two extremes are one at a time or all at once.

Controlling a Stage (CS)

Purpose of CS:

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 management stage remains within tolerance.

Objectives of CS:

To ensure that:

- Attention is focused on delivery of the management stage's products. Any movement away from the direction and products agreed at the start of the management stage is monitored to avoid uncontrolled change and loss of focus
- Risks and issues are kept under control
- The business case is kept under review
- The agreed products for the management stage are delivered to stated quality standards, within cost, effort and time agreed, and ultimately in support of the achievement of the defined benefits
- The project management team is focused on delivery within the tolerances laid down.

Context of CS:

The controlling a stage process describes the work of the Project Manager in handling the day-to-day management of the management stage. This process will be used for each delivery stage of a project. Towards the end of each management stage, except the final one, the activities within the managing a stage boundary process will occur.

The controlling a stage process is normally first used after the Project Board authorizes the project, but it may also be used during the initiation stage, especially for large or complex projects.

Work packages are used to define and control the work to be done and to set tolerances for the Team Manager(s). If the Project Manager is fulfilling the Team Manager role, work packages should still be used to define and control the work of the individual team members being assigned work. When this is the case, references to the Team Manager throughout the controlling a stage process should be regarded as references to the individual team member being assigned work.

Central to the ultimate success of the project is the day-to-day control of the work that is being conducted. Throughout a management stage, this will consist of a cycle of:

- authorizing work to be done
- monitoring progress information about that work, including signing off completed work packages
- reviewing the situation (including that for product quality) and triggering new work packages
- reporting highlights
- watching for, assessing and dealing with issues and risks
- taking any necessary corrective action.

Towards the end of the last management stage, the closing a project process will be invoked.

Managing Product Delivery (MP)

Purpose of MP:

To control the link between the Project Manager and the Team Manager(s), by agreeing the requirements for acceptance, execution and delivery.

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. They can be internal or external to the customer's organization.

Objectives of MP:

To ensure that:
- Work on products allocated to the team is authorized and agreed
- Team Managers, team members and suppliers are clear as to what is to be produced and what is the expected effort, cost or timescales
- The planned products are delivered to expectations and within tolerance
- Accurate progress information is provided to the Project Manager at an agreed frequency to ensure that expectations are managed.

Context of MP:

Managing product delivery views the project from the Team Manager's perspective, whereas 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
- ensuring that interfaces identified in the work package are maintained
- creating a team plan for the work packages being assigned (this may be done in parallel with the Project Manager creating the stage plan for the management stage)
- ensuring that the products are developed in accordance with any development method(s) specified in the work package
- demonstrating that each product meets its quality criteria through the quality method(s) 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 relevant 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, managing product delivery provides a statement of the required interface between the Team Manager and the PRINCE2® method being used in the project by the Project Manager. The work package may be part of a contractual agreement. Therefore, the formality of a team plan could vary from simply appending a schedule to the work package to creating a fully formed plan that is presented in a similar style to a stage plan.

Managing a Stage Boundary (SB)

Purpose of SB:

To enable the Project Manager to provide the Project Board with sufficient information to be able to:
- Review the success of the current management stage
- Approve the next stage plan
- Review the updated project plan
- 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.

The managing a stage boundary process is also used as part of the procedure to deal with exceptions. Projects do not always go to plan and in response to an exception report (if the management stage or project is forecast to exceed its tolerances) the Project Board may request that the current management stage (and possibly the project) is re-planned. The output from re-planning is an exception plan which is submitted for Project Board approval in the same way that a stage plan is submitted for approval.

Objectives of SB:

Near or at the end of each management stage, to:
- Assure the Project Board that all products in the stage plan for the current management stage have been completed and approved
- Prepare the stage plan for the next management stage
- Review and, if necessary, update the project initiation documentation (PID); in particular the business case, project plan, project approaches, project management team structure and role descriptions
- Provide the information needed for the Project Board to assess the continuing viability of the project
- Record any information or lessons that can help later management stages of this project and/or other projects
- Request authorization to start the next management stage.

For exceptions, to:
- Review and, if necessary, update the PID; in particular the customer's quality expectations, project approaches and controls and role descriptions
- Provide the information needed for the Project Board to assess the continuing viability of the project
- Prepare an exception plan as directed by the Project Board
- Seek approval to replace the project plan or stage plan for the current management stage with the exception plan.

Managing a stage boundary is NOT used towards the end of the final management stage unless there is a need to create an exception plan. This is because the activities to review the performance of the whole project, as part of the closing a project process, include reviewing the performance of the final management stage.

Context of SB:

The managing a stage boundary process is predicated on dividing the project into management stages.

A project, whether large or small, 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 programme. The continuing correct focus of the project should be confirmed at the end of each management stage. If necessary, the project can be redirected or stopped to avoid wasting time and money.

It is also important to recognize that projects can go wrong or can be affected by external factors that invalidate the business justification. An early identifier of potential failure is the Project Manager's forecast that any of the project or management stage tolerances are likely to be exceeded. In such cases it is important to have a mechanism for corrective action to bring the project back into the right direction.

A positive decision not to proceed is not failure. However, providing insufficient information that prevents the Project Board from making an informed decision is itself a failure as it may lead to a wrong decision.

The managing a stage boundary process provides a means by which an exception process can be implemented.

Closing a Project (CP)

Purpose of CP:

To provide a fixed point at which acceptance for the project's product is confirmed, and to recognize that objectives set out in the original project initiation documentation (PID) have been achieved (or approved changes to the objectives have been achieved), or that the project has nothing more to contribute.

Objectives of CP:

To:

- Verify user acceptance of the project's products
- Ensure that the host site 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 realised and update the benefits management approach to include any post-project benefit reviews
- Ensure that provision has been made to address all open issues and risks, with follow-on action recommendations.

Context of CP:

One of the defining features of a PRINCE2® project is that it is finite; it has a start and an end. If the project loses this distinctiveness, it loses some of its advantages over purely operational management approaches.

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)
  - The current project has run its course
  - 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 programme
  - 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 management team.

Closure activities should be planned as part of the stage plan for the final management stage. When closing a project, work is required to prepare input to the Project Board in order to obtain its authorization to close the project. Subsequently, the executive should also notify corporate, programme management or the customer that the project has closed.

It is also possible that the Project Board may wish to trigger a premature closure of the project under some circumstances (e.g. 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.

A number of actions specific to the project's products may be required after the project, and these should be documented and planned for as follow-on action recommendations. These may have different audiences and therefore may need to be issued individually. The needs of the recipient will determine the format and content; some may want a formal report, some a log entry on a system, and others a meeting.

Business Case Theme

Purpose of theme:

- 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.
- Projects must have a documented business justification. This sets out not only the reason for the project, but also confirms whether the project is:
  - o **Desirable:** the balance of costs, benefits and risks
  - o **Viable:** able to deliver the products
  - o **Achievable:** whether use of the products is likely to result in envisaged outcomes and resulting benefits.
- The business justification is usually documented in a **business case**.
- 'Outputs', 'outcomes', 'benefits' & 'dis-benefits': Projects will:
  - • create '**outputs**' (the specialist products) which enable business changes…
  - • which result in '**outcomes**' (i.e. changes in behaviour and/or circumstances derived from using the outputs)…
  - • which create '**benefits**' (the measurable improvements resulting from the outcomes).

Projects, and the associated business changes, can also result in '**dis-benefits**'.
A **dis-benefit** is: A measurable decline resulting from an outcome perceived as *negative* by one or more stakeholders, which reduces one or more organizational objective(s).
Both benefits and dis-benefits are recorded in the business case.

Minimum Requirements for the Theme:

To be following PRINCE2, a project must, as a minimum:
- Create and maintain a business justification for the project; usually a business case (PRINCE2's continued business justification principle)
- Review and update the business justification in response to decisions and events that might impact desirability, viability or achievability of the project (PRINCE2's continued business justification principle)
- Define the management actions that will be put in place to ensure that the project's outcomes are achieved and confirm that the project's benefits are realized (PRINCE2's continued business justification principle)
- Define and document the roles and responsibilities for the business case and benefits management (PRINCE2's defined roles and responsibilities principle).

Management Products for the Theme:

PRINCE2® requires that two products are produced and maintained:
- **Business case**: Provides the costs, benefits, expected dis-benefits, risks and timescales against which viability is justified and continuing viability is tested.
  - • **Business case development path:**
    The business case (derived from the project mandate) will be:
    - • **Developed:** in 'outline' during SU process as part of Project Brief & in 'detail' during IP process and assembled as part of PID.
    - • **Verified:** is the investment in this project still worthwhile? - in DP process at end of the SU process, at the end of each management stage, and during exceptions.
    - • **Maintained:** updated in SB process at end of each stage to include current information e.g. actual and new forecast costs, timescales, benefits and major risks. Also updated during exception situations.
    - • **Confirmed:** assessment of whether benefits have (or will be) realized.

The business case should be central to the impact assessment of issues and risks throughout the project.

- **Benefits management approach**: Defines the management actions that will be put in place to ensure that the project's outcomes are achieved and confirm that the benefits are realized.

  - Although some benefits can be realized and measured during the life of a project, many are realized outside/after the life of the project. The benefits management approach is created during initiation and defines how, when & by whom the benefits will be measured and reviewed both during and post-project. It most cases it's used 'after' the project has ended, as that is when most benefits tend to be realized, i.e. once the products are in operational use.
  - The post-project benefit reviews should also review the *performance* of the project's products when in operational use and to identify whether there have been any side-effects (beneficial or adverse) that may provide useful lessons for other projects.

Organization Theme

Purpose of theme:

- Establish the project's structure of accountability and responsibilities (the who?)
- Every project needs effective direction, management, control and communication
- Establishing an effective project management team structure and approach for communication at the beginning of a project, and maintaining these throughout the project's life, are essential elements of a project's success
- One of PRINCE2's principles is that projects must have defined and agreed roles and responsibilities within an organization that engages with the **business**, **user** and **supplier** stakeholder interests
- A stakeholder is any individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative (i.e. programme, project, activity or risk).
  - A stakeholder may:
    - **support** or **oppose** the project
    - **Gain** or **lose** as a result of project delivery
    - See the project as a **threat** or **enhancement** to their position
    - Become active **supporters** or **blockers** of the project and its progress.
- There are 3 principal categories of project stakeholder: **Business/User/Supplier**, (represented by the Project Board): Executive role = **Business**; Senior User role = **User**; Senior Supplier role = **Supplier.**
- Each of the 3 principle categories of stakeholders has a specific interest, or viewpoint on the project:
  - **Business** interest: The products of the project should meet a business need that justifies the investment in the project. The project should also provide value for money. The business viewpoint should be represented to ensure that these two prerequisites exist *before* a project commences and **remain** in existence *throughout* the project.
  - **User** interest**:** PRINCE2® makes a distinction between the business interests and the requirements of those who will use the project's outputs. The user viewpoint represents those individuals or groups for whom some or all of the following will apply:
    - They will use the outputs of the project to realize the benefits.
    - They will operate, maintain or support the project's outputs.
    - The outputs of the project will impact them.
    - The user presence is needed to specify the desired outputs and ensure that the project delivers them through the supplier.
  - **Supplier** interest**:** The creation of the project's outputs will need resources with certain skills. The supplier viewpoint should represent those for whom some, or all of the following will apply:
    - They will provide the necessary skills and produce the project product.
    - The supplier needs to have an understanding of all the relevant standards with which the output (product) needs to comply.
    - The project may need to use both in-house and external supplier teams to construct the project product.

- A successful project management team 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
    - Review the project roles throughout the project to ensure that they continue to be effective
    - have an effective approach to manage communication flows to and from stakeholders.
- The project management structure has four levels:
    - **Corporate, programme management or the customer** (sits **'outside'** of project management team)
    - **Directing** (Project Board) ⎤
    - **Managing** (Project Manager) ⎬ Part of project management team
    - **Delivering** (Team Manager) ⎦

The project management team structure is **temporary** and flexible, based on **'roles'** NOT management jobs. It is reviewed and changed (where necessary) at the end of each management stage to reflect the needs of the next management stage.

Minimum Requirements for the Theme:

To be following PRINCE2, a project must, as a minimum:
- Define its organization structure and roles. This must minimally ensure that all of the responsibilities in PRINCE2's role descriptions are fulfilled (PRINCE2's defined roles and responsibilities principle)
- Document the rules for delegating Change Authority responsibilities, if required
- Define its approach to communicating and engaging with stakeholders.

Management Products for the Theme:

PRINCE2® requires that two products are produced and maintained:
- **Project initiation documentation (PID):** in the context of the organization theme, the PID provides the single source of reference for how the project is to be managed. The PID sets out the project management team structure and roles. Created in IP process and reviewed/ possibly updated at end of each management stage in SB process.
- **Communication management approach:** describes the means and frequency of communication to stakeholders both internal and external to the project. Created in IP process and reviewed/possibly updated end of each stage in SB process. Forms part of the PID.

Project Management Team:

PRINCE2® mandates that certain project **roles** are fulfilled on *every* project. As shown below, the roles may be *combined* within certain limits.
- **Restrictions** to *combining* roles:
    - The Executive and Project Manager roles **cannot** be combined
    - There **cannot** be **more than one** Executive or Project Manager
    - The Executive's accountability for project success **cannot** be delegated
    - The Project Board should **not** assign any Project Assurance roles to the Project Manager, Team Manager or Project Support
    - It is not recommended to combine the roles of Senior User and Senior Supplier as this can create conflicts of interest for an individual.

The Project Management Team Roles and Responsibilities:

- All projects MUST have a **Project Board**: made up of **three** roles: **Executive**, **Senior User** and **Senior Supplier (see below for 'specific' responsibilities of each role).** Project Board responsibilities include:
  - Being accountable for the success or failure of the project in terms of the business, user and supplier interests
  - Providing *unified* direction to the project
  - facilitating integration of the project management team with the functional units of the participating corporate, programme management or customer organizations
  - Delegating, using the PRINCE2® organization structure and controls designed for this purpose
  - Providing the resources and authorizing the funds necessary for the successful completion of the project
  - Effective decision-making
  - Providing visible and sustained support for the Project Manager
  - Ensuring effective communication both within the project team and with external stakeholders.
- **Executive:** Role must **not** be shared.
  - Is ultimately accountable for the project's success.
  - Is the key decision-maker
  - Designs and appoints the rest of the project management team, including other Project Board members
  - Secures funding for the project and ensures a cost-conscious approach to the project, in that is delivers value for money
  - Ensures project is focused on achieving objectives and delivers a product that will achieve forecasted benefits
  - Responsible for the business case and the continued business justification of the project.
- **Senior User(s):** More than one person may be required to represent the users, but should not be split between too many people.
  - Responsible for specifying the needs of those who will use the project's products *(including operations and maintenance)*
  - Represents the interests of all those who will use the project's products, those for whom the products will achieve an objective, or those who will use the products to deliver benefits
  - User liaison with the project management team and for monitoring that the solution will meet those needs within the constraints of the business case in terms of quality, functionality and ease of use
  - Commits user resources and monitors products against requirements
  - Specifies the benefits and is held to account by demonstrating to corporate, programme management or the customer that the forecasted benefits are subsequently realized.
- **Senior Supplier(s):** More than one person may be required to represent the suppliers.
  - Represents the interests of those designing, developing, facilitating, procuring and implementing the project's products.
  - Accountable for the quality of products delivered by the supplier(s) and responsible for the technical integrity of the project.
  - Provides supplier resources to the project and ensures that proposals for designing and developing the products are feasible and realistic.
  - Often represents the interests of those who will **maintain** the specialist products of the project after closure, e.g. engineering maintenance and support, unless it's an external supplier who's delivering products to a customer who will maintain them in service/operation, in which case the *'operations and maintenance'* interests are more likely to be represented by the Senior User (see Senior User above).

- **Project Manager:** Role must **not** be shared.
  - Has single focus for day-to-day management of the project
  - Has the authority to run the project on behalf of the Project Board within the constraints laid down by the Project Board
  - Delegates responsibility for managing product delivery process to Team Manager(s)
  - Manages Team Managers and Project Support. May perform Team Manager and Project Support responsibilities if these roles haven't been allocated to *separate* people.
- **Change Authority:** Makes decisions on requests for change and off-specifications.
  - Due to their dynamic nature, projects will often receive many requests to change the initial agreed scope.
  - Project Board are responsible for agreeing to any changes, but may *delegate* some authority, within defined limits, for approving or rejecting requests for change and off-specifications.
  - Some decision-making authority may be delegated to the Project Manager and/or Project Assurance, within defined limits.
- **Project Assurance**: The Project Board is responsible, via its Project Assurance role, for monitoring all aspects of the project's performance and products, in all PRINCE2® processes, (aligned to their respective areas of Business, User and Supplier).
  - Project Board may do themselves if they have the time/knowledge/skills to do so, or may delegate to separate individuals
  - **MUST** be *independent* of the Project Manager. Project Support and Team Manager roles
  - If delegated, the Project Board remain accountable
  - Supports the Project Manager by giving advice and guidance on aspects such as use of corporate standards, or that the correct personnel are planned to be involved in different aspects of the project, e.g. quality inspections or reviews.
- **Team Manager:** Role may be assigned to the person who's Project Manager, or a *separate* person(s).
  - A *separate* person(s) may be required where the size of the project, the specialist skills or knowledge needed for certain products, geographical location of team members and the preferences of the Project Board necessitates it. If a *separate* person(s) is not assigned to the Team Manager role, then the Project Manager undertakes the Team Manager role/responsibilities
  - Responsible for the production of those products allocated by the Project Manager (as defined in a work package) to the agreed time, cost and quality
  - Reports to, and takes direction from, the Project Manager
  - Provides progress information (via checkpoint reports) to the Project Manager.
- **Project Support:** The role of Project Support is not **optional**, but the allocation of a *separate* individual or group to carry out the required tasks is.
  - 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 to provide administrative services or advice/guidance on the use of project management tools
  - Typically responsible for administering change control
  - Provide specialist functions to the project such as planning or risk management
  - Some corporate, programme management or customer organizations may have a project office (a temporary office set up to support the delivery of a specific project) or a similar structure, which can fulfil some, or all, of the Project Support role.

Risk Theme

Purpose of the Theme:

- To identify, assess and control **uncertainty**, and as a result improve the ability of the project to succeed
- Projects enable change and change introduces **uncertainty**, hence **risk** is inevitable in all projects when trying to achieve their objectives
- **A Risk is**: 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 can have either a negative impact or positive impact on objectives if they occur:
  - **Threat:** uncertain events that will have a negative impact on objectives
  - **Opportunity:** uncertain events that will have a positive impact on objectives
- Risks can impact the project's objectives of delivering to an agreed scope and benefits to an agreed time, cost and quality
- **Risk management is**: The systematic application of principles, approaches and processes to the tasks of identifying and assessing risks, planning and implementing risk responses and communicating risk management activities with stakeholders
- Effective risk management involves a **five**-step procedure (risk management procedure technique):
  - **Identify**:
    - **Identify context:** understand objectives at risk and formulate a risk management approach
    - **Identify risks:** capturing and describing risks, including **cause**, **event** and **effect**:
      - **Risk cause:** The source of the risk; i.e. the situation that gives rise to the risk
      - **Risk event:** The area of uncertainty in terms of the threat or opportunity
      - **Risk effect:** The impact(s) that the risk would have on objectives should it materialize
  - **Assess:**
    - **Estimate:** each risk in terms of its probability, impact(s) on objectives and timing (proximity)
    - **Evaluate:** the combined effect of all risks to see if the overall risk exposure remains within the *risk appetite* of the organization
      - **Risk appetite is:** An organization's unique attitude towards risk-taking that in turn dictates the amount of risk that it considers acceptable
  - **Plan:** identifying and evaluating the possible risk responses to remove or reduce threats and to maximize opportunities:
    - Responses types for **threats**: Avoid; Reduce; Transfer; Share; Accept; Prepare contingent plan
    - Response types for **opportunities**: Exploit; Enhance; Transfer; Share; Accept; Prepare contingent plan
  - **Implement:** the risk responses are actioned, their effectiveness monitored and corrective action taken where the responses aren't having the desired effect. Risks are assigned to:
    - Risk **owner**: individual who is responsible for the management, monitoring and control of all aspects of a particular risk assigned to them, including implementation of the selected responses
    - Risk **actionee**: a nominated owner of an 'action' to address a risk.
    In many cases the risk owner and risk actionee are likely to be the same person
  - **Communicate:** risk information is *continuously* communicated, within the project and to external stakeholders (via checkpoint report, highlight report, end stage report, end project report and exception report).

- Risk management supports decision-making by ensuring the project team understand each risk and the overall *risk exposure* that exists at a particular time
  - **Risk exposure is**: The extent of risk borne by the organization at the time
- A **risk budget** can be assigned for the project. It's used to fund specific risk management responses to the project's threats and opportunities (for example to cover the costs of implementing a contingent plan if a risk were to materialize).

Minimum Requirements for the Theme:

To be following PRINCE2, a project must, *as a minimum*:
- Define its risk management approach, which must *minimally* cover:
  - How risks are identified and assessed; how risk management responses are planned and implemented and how the management of risk is communicated throughout the project lifecycle
  - Assessing whether identified risks might have a material impact on the business justification of the project (PRINCE2's continued business justification principle)
  - The roles and responsibilities for risk management (PRINCE2's defined roles and responsibilities principle)
- Maintain some form of risk register to record identified risks and decisions relating to their analysis, management and review
- Ensure that project risks are identified, assessed, managed and reviewed throughout the project lifecycle
- Use lessons to inform risk identification and management (PRINCE2's learn from experience principle).

Management Products for the Theme:

PRINCE2® requires that two products are produced and maintained:
- **Risk management approach:** describes how risk will be managed on the project and includes the specific processes, procedures, techniques, standards and responsibilities to be applied. Created in IP process and reviewed/possibly updated end of each stage in SB process. Forms part of the PID.
- **Risk register:** provides a record of identified risks relating to the project, including their status and history. It is used to capture and maintain information on all the identified threats and opportunities relating to the project. Created in IP process, reviewed/updated throughout project.

Plans Theme

Purpose of Theme:

- To facilitate communication and control by defining the means of delivering the products: the where, how and by whom and estimates the when (time) and how much (cost) of delivering the work/project.
- Provides information on: what products need to be delivered; the risks (threats and opportunities); any issues with definition of scope; what specialist equipment/resources are needed; when activities and events should happen and whether the targets of time, cost, quality, scope, benefits and risk are achievable.
- Creates/maintains credible plans (project plan, stage plan, team plan and exception plan) to provide a baseline from which to measure progress.
- **A plan is**: a detailed proposal for doing or achieving something which specifies the what, when, how and by whom.
- Plans provide the backbone of the management information required for any project; without a plan there can be no control.
- There are **3** levels of plan:
    - **Project plan:** is high-level. Covers entire project. Shows the major products, activities and resources required for the project. Provides costs and timescales for the business case and identifies major control points such as management stages and milestones. Approved and used by the Project Board as a baseline against which to monitor project progress management stage by management stage.
    - **Stage plan:** is detailed. Created for *each* management stage. Used by the Project Manager as the basis for day-to-day control throughout a management stage. Produced close to the time when the planned events (for the next management stage) will happen. Produced with knowledge of earlier management stage performance and should not extend beyond the planning horizon (the timeframe between each management stage division). Approved by the Project Board.
    - **Team plan:** is an 'optional' level of plan. Created by Team Manager and used as the basis for team management when executing work packages. A management stage may have a number of *work packages*, each of which may have a team plan. Approved by the Project Manager.
        - **Work package is:** A set of information relevant to the creation of one or more products. Contains a description of the work, product description(s), constraints and confirmation of 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.
- **Exception plan:** is **NOT** a level of plan. It's prepared to the same level of detail as the plan it replaces. It picks up from the current plan actuals and continues to the end of that plan.
    - Exception plans are prepared (at the Project Board's request) to show the actions required to recover from the effect of a project plan or stage plan tolerance deviation. Exception plans are **not** produced for work package tolerance deviations (i.e. do **not** replace a team plan).

- **Management stages are:** The sections of the project that the Project Manager is managing on behalf of the Project Board at any one time.
    - The number of management stages is flexible and depends on scale, duration and risk of project
    - Defining management stages is about balancing:
        - how far ahead in the project it is sensible to plan (relating to planning horizon)
        - where the key decision points need to be on the project
        - the amount of risk within the project
        - too many short management stages (increasing the project management overhead) versus too few lengthy ones (reducing the level of control)
        - how confident the Project Board and Project Manager are in proceeding.
    - Length of management stages influenced by factors:
        - The planning horizon at any point in time
        - The delivery steps within the project
        - Alignment with programme activities (end-of-tranche reviews)
        - The level of risk (lower risk = longer stage/higher risk = shorter stage)
- **Delivery steps are:** a *separate concept* from the 'management stages' described above, and the work comprising delivery steps is ***always*** included within a management stage as either work packages or activities.
- **Management stages and delivery steps - differences:** Delivery steps often 'overlap', but management stages do not. Delivery steps are typified by the use of a particular set of specialist skills. Management stages equate to commitment of resources and authority to spend.
- Often the boundary of the management stage and the end of a delivery step will coincide; for instance, when the management decision is based on the output(s) from delivery step activities. However, on other occasions management stage and delivery step boundaries will not coincide; for example, there might be *more than one* delivery step within a management stage which end part the way through the management stage.
- Resources required to deliver a plan need to be committed to by those approving the plan.
- **Planning horizon:** The time period that planning can be done with reasonable accuracy. It's not usually possible to plan the entire project *in detail* from the outset. Planning becomes more difficult the further in to the future it extends. It's best to have a *detailed* plan (stage plan) for short term and a higher-level *outline* plan (project plan) for the long term. This also applies to a stage plan for a management stage (higher-level outline) compared to a team plan for a work package (more detailed than the stage plan).
    - High-level and detailed plans should be created and maintained at the same time.
    - A stage plan is produced before the start of that stage, and must not extend beyond the planning horizon.
- PRINCE2® has a principle to 'focus on products'. The philosophy behind this is that what needs to be delivered (the products) must be identified *before* deciding what activities, dependencies and resources are required to deliver those products. This approach is called product-based planning.

Minimum Requirements for the Theme:

To be following PRINCE2, a project must, as a minimum:
- Ensure that plans enable the business case to be realized (PRINCE2's continued business justification principle)
- Have at least two management stages; an initiation stage and at least one further management stage. The more complex and risky a project, the *more* management stages that will be required (PRINCE2's manage by stages principle)
- Produce a project plan for the project as a whole and a stage plan for each management stage (PRINCE2's manage by stages principle)
- Use a product-based planning for the project plan, stage plans and exception plans. It may be optionally used for team plans. PRINCE2® recommends the following steps for product-based planning:
  - Designing a plan; *****Defining and analysing the products; Identifying activities and dependencies; Preparing estimates; Preparing a schedule; Documenting a plan; Analysing risks to a plan.
- *****PRINCE2® recommends the following approach *within* the 'Defining and analysing the products' step:
  - Write a project product description for the final end product (this is the *first* step and only one project product description is required per project);
  - And for each *level* of plan:
    - Create a product breakdown structure
    - write product descriptions (for each of the products delivered by the plan)
    - create a product flow diagram **(*optional*)**
- Produce specific plans for managing exceptions (PRINCE2's manage by exception principle)
- Define the roles and responsibilities for planning (PRINCE2's defined roles and responsibilities principle)
- Use lessons to inform planning (PRINCE2's learn from experience principle).

Management Products for the Theme:

PRINCE2® requires that four products are produced and maintained:
- **Project product description:** a description of the *overall* project's output, including the customer's quality expectations, together with the acceptance criteria and acceptance methods for the project. It applies to a project plan only. Produced in SU process.
- **Product description:** a description of each product's purpose, composition, derivation and quality criteria. Produced in IP process for project plan products; SB process for stage plan products and optionally in MP process for team plan products.
- **Product breakdown structure (PBS):** a hierarchy of all the products to be produced during a plan. Produced in IP process for project plan products; SB process for stage plan products and optionally in MP process for team plan products.
- **Plan:** provides a statement of how and when objectives are to be achieved, by showing the major products, activities and resources required for the scope of the plan. In PRINCE2, there are three levels of plan: project, stage and team. In addition, PRINCE2® has exception plans, which are created at the same level as the plan they are replacing. Produced in IP process (project plan); SB process (stage plan and any exception plans), and in MP process (optional team plan).

  …and ***optionally*** a:

- **Product flow diagram (PFD):** a diagram showing the sequence of production and interdependencies of the products shown in the product breakdown structure. **(PRINCE2® *recommends*, but does not require, that a product flow diagram is created and maintained).** If required; produced in IP process for project plan products; SB process for stage plan products and in MP process for *optional* team plan products.

Quality Theme

Purpose of Theme:

- Define and implement the means by which the project will verify that products are *fit for purpose*.
- Ensure products *meet business expectations* and *enable desired benefits to be realized.*
- Looks for ways to apply continuous improvement - to introduce more efficiency and effectiveness into the products AND the management of the project.
- Adequate quality management activities need to be applied to help eliminate potential slippages, overspends and/or poor quality results.
- **Quality is:** the degree to which a set of inherent characteristics of a product, service, process, person, organization, system or resource fulfils requirements.
- **Quality management is:** the coordinated activities to direct and control an organization with regard to quality.
- Addresses quality methods & responsibilities for the specification, development and approval of the project's products **AND** for the management of the project.
- PRINCE2® requires systematic activities to:
    - Explicitly agree the customer's quality expectations and acceptance criteria for the project product
        - **Customer's quality expectation is:** a statement about the quality expected from the project product, captured in the project product description
        - **Acceptance criteria is:** 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.
    - Identify the project's products (to the level at which the project intends to exert control)
    - Define the project's products in product descriptions including the **quality criteria** by which they will be assessed, the **quality methods** to be used in designing, developing and approving them, and the quality responsibilities of those involved
        - **Quality criteria is:** 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 method is:** the type of quality check/test/inspection/review etc, to be used to ensure a product meets its quality criteria. Used *during* and *after* the development of a product.
    - Implement and track (the carrying out of) the quality methods employed throughout the project.
- **Quality Planning:** defining the products and their agreed quality criteria, what quality methods are to be used (including effort required for quality control and product approval) and quality responsibilities for producing, reviewing and approving each product.
    - **Quality planning purpose**: provide a secure basis for:
        - Project Board approval
        - Communicating what's agreed to key stakeholders
        - Controlling, by establishing an effective *baseline* for the project's quality controls, including quality tolerances
- **Quality Control**: focuses on operational techniques and activities used (the implementing monitoring and recording of quality methods & responsibilities) in order to fulfil the quality requirements by 'checking' (e.g. doing reviews/tests/inspections etc) the products *meet*/*conform to* their quality criteria. And to look for and improve process performance using previous lessons.

- **Quality Assurance and Project Assurance - differences**:
  - **Quality assurance**: is a planned and systematic process that provides confidence that outputs will match their defined quality criteria when tested under quality control. It is carried out ***independently*** of the project team.
  - **Project Assurance:** is the Project Board's responsibility 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 assurance is a project management team role ***within*** the project, but must be *independent* of the Project Manager, Project Support and any Team Managers.

Minimum Requirements for the Theme:

To be following PRINCE2, a project must, *as a minimum*:
- Define its quality management approach. This approach must *minimally* cover:
  - The project's approach to quality control
  - The project's approach to project assurance
  - How the management of quality is communicated throughout the project lifecycle
  - The roles and responsibilities for quality management (PRINCE2's defined roles and responsibilities principle).
- Specify explicit quality criteria for products in their **product descriptions** (PRINCE2's focus on products principle).
  - **Product description purpose**: Provides a description of each product's purpose, composition, derivation and *quality criteria*.
- Maintain records to provide evidence that the planned quality activities have been carried out, and summarize those activities that are planned or have taken place in some form of quality register.
- Specify the customer's quality expectations and prioritized acceptance criteria for the project in the **project product description** (PRINCE2's focus on products principle).
  - **Project product description purpose:** (see 'Management Products' under 'Plans' theme)
- Use lessons to inform quality planning, the definition of quality expectations and quality criteria (PRINCE2's learn from experience principle).

Management Products for the Theme:

PRINCE2® requires that two products are produced and maintained:
- **Quality management approach:** describes how quality will be managed on the project. Includes the specific processes, procedures, techniques, standards and responsibilities to be applied. Created in IP process and reviewed/possibly updated end of each stage in SB process. Forms part of the PID.
- **Quality register:** used to summarize all the quality management activities that are planned or have taken place, and provides information for the end stage reports and end project report. Created in IP process (empty register), updated in SB process (with details of 'planned' quality management activities), updated in MP process (with quality management activity 'results').

Change Theme

Purpose of the Theme:

- To identify, assess and control any potential and approved changes to the baselines.
- Projects take place with an organizational and wide context, both of which will change over time.
- It's rare that a project closes having delivered exactly what was envisaged when the project was initiated.
- Change is inevitable, particularly for more complex projects.
- Need a common systemic approach to managing issues that may result in changes that inevitably arise from various sources throughout the project's life.
- Provides a project environment that's *responsive* to its stakeholders.
- Without an effective issue and change control procedure a project can soon drift 'out of control'.
- Issue and change control is a *continual* activity performed throughout life of project.
- Changes are identified as **'issues'**. The term 'issue' is used to cover any relevant event that has happened, was not planned and requires management action.
  - **Three types of issue:** 'Request for change'; 'Off-specification'; 'Problem/concern'.
- A *change budget* can be assigned to a project.
  - **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. A change budget:
    - Can reduce the number of trivial exceptions arising in projects where frequency of requests for change is expected to be high.
    - Provides for a more *realistic* expectation of the overall costs/timeframe of the project.
- Issues may be raised at *any time* during the project by *anyone* with an interest in the project or its outcome.
  Issues are captured in:
  - **Issue Register:** used to capture and maintain all issues being handled *formally*, with additional info recorded in:
    - **Issue Report:** containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. Created **only** for those issues that need to be handled *formally*.
  - **Daily Log:** used to capture issues being handled *informally*.
- The response to an issue might be to change some dimension of the project's time, cost or scope.
  - Not *every* issue has to have something done about it, some can be *rejected*
  - There are only two reasons to implement a change:
    - To introduce a *new* benefit
    - To protect an *existing* benefit
- Change control involves a **five**-step procedure (Issue and Change Control Procedure technique):
  - **Capture**: formal issues will be recorded in issue register with a unique issue identifier, informal issues recorded in daily log.
  - **Assess**: undertake *impact analysis* (impact on time, cost, quality, scope, benefit & risk)
  - **Propose**: options considered for responding to issue and proposing course of action (may also require exception report if recommended option will cause a stage or project-level tolerance to be exceeded).
  - **Decide**: make a decision on action, (i.e. approve, reject, defer, or ask for more information). Decision made by Project Manager (if *within* their delegated authority), or escalated to Project Board, or its delegated Change Authority.
  - **Implement**: take corrective action to implement changes or produce exception plan, if asked, where management stage or project level tolerances were forecast to be exceeded.

- **Baselining:** Change can only be assessed in terms of its impact on an agreed 'current situation'. The 'current situation' at any point in time is represented by a 'snapshot' of all the management and specialist products (or items) produced during the project.
  - At a point in time, each of the products/items will be in a known state or **'baseline'.**
    - **A baseline is:** Reference levels against which an entity is monitored and controlled.
    - 'Baselines' are created at a point in time for a purpose. e.g. a baseline might be created when a product is 'ready to be reviewed' or when it has been 'approved'.
    - Making changes to a baselined product creates a *new* version of the product, with the original baseline being kept *unchanged*.
- A **prerequisite** of effective issue and change control is to define a way of creating **baselines** of products and allowing *appropriately controlled* changes to the baselines.
- PRINCE2® calls the things that need to be controlled and baselined **'configuration items'**. Information about the 'state' and 'status' of configuration items is held in 'configuration item records'.
  - **A configuration item record is**: a record that describes the status, version and variant of a configuration item, and any details of important relationships between them.
- PRINCE2® also has the concept of a 'product status account'. Used to provide more detail about the status of products (configuration items).
  - **A product status account is**: A report on the status of products. The required products can be specified by identifier or the part of the project in which they were developed.

Minimum Requirements for the Theme:

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

- Define its change control approach. This approach must *minimally* cover:
  - How issues are identified and managed
  - Assessing whether identified issues might have a material impact on the business justification of the project (PRINCE2's continued business justification principle)
  - The roles and responsibilities for change control (PRINCE2's defined roles and responsibilities principle), including a defined *Change Authority*.
    - **Change Authority:** the Project Board may decide to delegate decisions regarding request for changes and off-specifications to another person or group, within pre-defined limits.
    - The Project Manager and/or people with delegated Project Assurance responsibilities can be the Change Authority.
- Define how product baselines are created, maintained and controlled.
- Maintain some form of issue register to record identified issues and decisions relating to their analysis, management and review.
- Ensure that project issues are captured, examined, managed and reviewed throughout the project lifecycle.
- Use lessons to inform issue identification and management (PRINCE2's learn from experience principle).

Management Products for the Theme:

PRINCE2® requires that two products are produced and maintained:

- **Change control approach:** used to identify, assess and control any potential and approved changes to the project baselines. Describes the procedures, techniques and standards to be applied and the responsibilities for achieving an effective issue management and change control procedure.
- **Issue register:** captures and maintains information on all the issues that are being formally managed.
  - If the issue register does not contain sufficient detail (e.g. for the options appraisal, recommendation and decision), then a separate issue report, can be used but this is an *optional* management product.

Progress Theme

Purpose of the Theme:

- Establishes mechanisms to monitor and compare *actual* achievements against those planned.
- Provide a **forecast** for the project objectives and the project's continued viability.
- Provides mechanisms (using tolerance) to control unacceptable deviations.
- Progress is the measure of the achievement of the objectives of a plan which involves measuring *actual* progress against the performance targets of costs, timescales, quality, scope, risk and benefits.
- Progress information is used to make *decisions*, such as whether to:
  - Approve a management stage
  - Approve a work package
  - Escalate deviations to the next level of management
  - Prematurely close the project
  - Take corrective actions as required.
- Progress can and should be monitored at work package, management stage and project level.
- The principle of 'manage by exception' is particularly important to the progress theme.
  - An exception is a situation where it can be *forecast* that there will be a deviation beyond agreed **tolerance** levels.
    - **Tolerance is:** 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. (see the six types of tolerance below)

Minimum Requirements for the Theme:

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

- Define its approach to controlling progress in the project initiation documentation (PID) Established in IP process.
- Be managed by stages (PRINCE2's manage by stages principle)
  - Minimum number of stages is 2 (Initiation stage and at least one further delivery stage for undertaking the planned work and closing down the project).
- Set tolerances and be managed by exception against these tolerances (PRINCE2's manage by exception principle)
- Review the business justification when exceptions are raised (PRINCE2's continued business justification principle)
- Learn lessons (PRINCE2's learn from experience principle).

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 management stage at a time (PRINCE2's manage by stages principle)
- **Time-driven** and **event-driven** progress reporting and reviews
  - **'Time-driven' controls:** Take place at predefined periodic intervals, for example highlight report and checkpoint report are produced at 'regular/timely' intervals.
  - **'Event-driven' controls:** Take place when a specific *event* occurs, for example holding an end stage assessment and producing an end stage report at the end of a management stage and an exception report is produced when a stage-level or project-level tolerance is forecast to be exceeded.
- Raising exceptions (PRINCE2's manage by exception principle).
- The project is 'managed by exception' against **six *types* of tolerance**:
  - **Time/Cost/Quality/Scope/Benefits/Risk**

- **Levels of tolerances:** agreed between the four management levels:
    1. **Corporate, programme management or the customer:** sets **project-level** tolerance (for the Project Board). Documented in the project plan and PID.
    2. **Project Board:** sets **stage-level** tolerance (for the Project Manager). Documented in a stage plan.
    3. **Project Manager:** sets **work package-level** tolerance (for the Team Manager). Documented in a work package.
    4. **Team Manager:** *agrees* and *works within* work package tolerance, but does **NOT** 'set' tolerances. In addition, '**product-level'** tolerance can be set for a product's 'quality criteria'. Documented in its related product description.
- **Raising exceptions:** Exceptions are raised where there is a *forecast* deviation outside of the agreed **tolerance** level. Exceptions are raised & escalated at 3 levels, starting at the *lowest* level:
    - **Work Package level** (recorded in a **work package**): Team Manager will keep the Project Manager informed of work package progress via time-driven checkpoint reports and should **raise an issue** if the tolerances are forecast to be exceeded, for the Project Manager to make a decision on corrective action needed.
        - **Work package:** forms an agreement between the Project Manager and Team Manager as to the work to be completed within the defined tolerances.
            - Assists the Project Manager as a ***baseline for progress control*** purposes
    - **Stage level** (recorded in a stage plan): the Project Manager will **raise an issue and an exception report** for the Project Board's attention if stage tolerances are forecast to be exceeded, in order to get a decision on corrective action. If an exception plan is requested, the Project Board will conduct an exception assessment, similar to the end stage assessment, to review and approve the exception plan.
    - **Project level** (recorded in the project plan and PID): this is outside of the authority of the Project Board and should be escalated by the Project Board to Corporate, Programme management or the customer for a decision on corrective action. The Project Board may request the Project Manager to produce an exception plan for the project.

Management Products for the Theme:

- **Reviewing progress** handled through:
    - **Issue register:** contains details of all formal issues raised during the project
    - **Risk register:** records identified risks (threats and opportunities) related to the project
    - **Quality register:** records of all planned and implemented quality activities
    - **Product status account:** provides a snapshot of the status of products within the project, management stage, or a particular area of the project.
    - **Daily log:** can be useful for recording small actions and any observations.
- **Capturing and reporting lessons** handled through:
    - **Lessons log:** used for capturing and reporting lessons when reviewing progress. 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.
- **Reporting progress** handled through:
    - **Checkpoint report:** A 'time-driven' control which provides the Project Manager with details of progress against the work package. Produced by the Team Manager.
    - **Highlight report:** A 'time-driven' control which provides the Project Board with details of progress for the whole project and/or management stage. Produced by Project Manager.
    - **End stage report:** provides the Project Board with details of progress towards the end of each management stage, including information on progress to date, the overall project situation and (together with the next stage plan) sufficient information to ask for a Project Board decision on what to do next with the project. Produced by Project Manager.

End project report: provides the Project Board with information needed to evaluate the project and authorize closure. Produced by the Project Manager towards the end of the project.

This page has been intentionally left blank.

PRINCE2® MANAGEMENT PRODUCTS

The following are the **names** and **purpose** of all 26 **Management Products** from the Product Description Outlines in **Appendix A** of the PRINCE2® manual.

A.1 Benefits Management Approach

A Benefits Management Approach defines the benefits management actions and benefits reviews that will be put in place to ensure that the project's outcomes are achieved and confirm that the project's benefits are realized. If the project is part of a programme, the Benefits Management Approach may be contained within the programme's benefits realization plan and executed at the programme level. Post-project, the Benefits Management Approach is maintained and executed by corporate, programme management or the customer.

A.2 Business Case

A Business Case is used to document the business justification for undertaking a project, based on the estimated costs (of development, implementation and incremental ongoing operations and maintenance costs) against the anticipated benefits to be gained and offset by any associated risks. It should outline how and when the anticipated benefits can be measured.
The outline Business Case is developed in the Starting up a Project process and refined by the Initiating a Project process. The Directing a Project process covers the approval and re-affirmation of the Business Case
The Business Case is used by the Controlling a Stage process when assessing impacts of issues and risks. It is reviewed and updated at the end of each management stage by the Managing a Stage Boundary process, and at the end of the project by the Closing a Project process.

A.3 Change Control Approach

A change control approach is used to identify, assess and control any potential and approved changes to the project baselines. It describes the procedures, techniques and standards to be applied and the responsibilities for achieving an effective issue management and change control procedure.

A.4 Checkpoint Report

A Checkpoint Report is used to report, at a frequency defined in the Work Package, the status of the Work Package.

A.5 Communication Management Approach

A Communication Management Approach contains a description of the means and frequency of communication to parties both internal and external to the project. It facilitates engagement with stakeholders through the establishment of a controlled and bi-directional flow of information.

A.6 Configuration Item Record

Configuration item records are created only if required by the project's change control approach. Their purpose is to provide a record of such information as the history, status, version and variant of each configuration item, and any details of important relationships between them. The set of configuration item records for a project is often referred to as a configuration library. The records may be derived from:

- the Change Control Approach
- the Product Breakdown Structure
- a Stage Plan and Work Package
- the Quality Register, Issue Register and Risk Register.

(PRINCE2 does not define the composition, format and presentation or quality criteria for this product).

A.7 Daily Log

A Daily Log is used to record informal issues, required actions or significant events not caught by other PRINCE2® registers or logs. It acts as the project diary for the Project Manager.

It can also be used as a repository for issues and risks during the Starting up a Project process if the other registers have not been set up.

There may be more than one Daily Log as Team Managers may elect to have one for their Work Packages, separate from the Project Manager's Daily Log.

A.8 End Project Report

An End Project Report is used during project closure to review how the project performed against the version of the Project Initiation Documentation used to authorize it. It also allows the:

- Passing on of any lessons that can be usefully applied to other projects
- Passing on of details of unfinished work, ongoing risks or potential product modifications to the group charged with future support of the project's products in their operational life.

A.9 End Stage Report

An End Stage Report is used to give a summary of progress to date, the overall project situation, and sufficient information to ask for a Project Board decision on what to do next with the project. The Project Board uses the information in 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.

A.10 Exception Report

An Exception Report is produced when a Stage Plan or Project Plan is forecast to exceed tolerance levels set. It is prepared by the Project Manager in order to inform the Project Board of the situation, and to offer options and recommendations for the way to proceed.

A.11 Highlight Report

A Highlight Report is used to provide the Project Board (and possibly other stakeholders) with a summary of the stage status at intervals defined by them. The Project Board uses the report to monitor management stage and project progress. The Project Manager also uses it to advise the Project Board of any potential problems or areas where the Project Board could help.

A.12 Issue Register

The purpose of the Issue Register is to capture and maintain information on all of the issues that are being formally managed. The Issue Register should be monitored by the Project Manager on a regular basis.

A.13 Issue Report

An Issue Report is 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. The report is initially created when capturing the issue, and updated both after the issue has been examined and when proposals are identified for issue resolution. The Issue Report is later amended further in order to record what option was decided upon, and finally updated when the implementation has been verified and the issue is closed.

A.14 Lessons Log

The Lessons Log is a project repository for lessons that apply to this project or future projects. Some lessons may originate from other projects and should be captured on the Lessons Log for input to the project's strategies and plans. Some lessons may originate from within the project -where new experience (both good and bad) can be passed on to others via a Lessons Report.

A.15 Lessons Report

The Lessons Report is used to pass on any lessons that can be usefully applied to other projects.

The purpose of the report is to provoke action so that the positive lessons become embedded in the organization's way of working, and that the organization is able to avoid any negative lessons on future projects.

A Lessons Report can be created at any time in a project and should not necessarily wait to the end. Typically it should be included as part of the End Stage Report and End Project Report. It may be appropriate (and necessary) for there to be several Lessons Reports specific to the particular organization (e.g. user, supplier, corporate or programme). The data in the report should be used by the corporate group that is responsible for the quality management system, in order to refine, change and improve the standards. Statistics on how much effort was needed for products can help improve future estimating.

A.16 Plan (covers project plan, stage plans, exception plans and, optionally, team plans)

A plan provides a statement of how and when objectives are to be achieved, by showing the major products, activities and resources required for the scope of the plan. In PRINCE2, there are **three** levels of plan: project, stage and team. Team Plans are optional and may not need to follow the same composition as a Project Plan or Stage Plan.

An Exception Plan is created at the same level as the plan that it is replacing.

A Project Plan provides the Business Case with planned costs, and it identifies the management stages and other major control points. It is used by the Project Board as a baseline against which to monitor project progress.

Stage Plans cover the products, resources, activities and controls specific to the stage and are used as a baseline against which to monitor stage progress.

Team Plans (if used) could comprise just a schedule appended to the Work Package(s) assigned to the Team Manager.

A plan should cover not just the activities to create products but also the activities to manage product creation -including activities for assurance, quality management, risk management, configuration management, communication and any other project controls required.

A.17 Product Description

A Product Description is used to:

- Understand the detailed nature, purpose, function and appearance of the product
- Define who will use the product
- Identify the sources of information or supply for the product
- Identify the level of quality required of the product
- Enable identification of activities to produce, review and approve the product
- Define the people or skills required to produce, review and approve the product.

A.18 Product Status Account

If required by the project's change control approach, a product status account is used to provide information about the state of products within defined limits. The limits can vary. For example, the report could cover the entire project, a particular management stage, a particular area of the project or the history of a specific product. It is particularly useful if the project manager wishes to confirm the version number of products. The product status account may be derived from:
- Configuration Item Records
- a Stage Plan.
(PRINCE2 does not define the composition, format and presentation or quality criteria for this product).

A.19 Project Brief

A Project Brief is used to provide a full and firm foundation for the initiation of the project and is created in the Starting up a Project process.

In the Initiating a Project process, the contents of the Project Brief are extended and refined in the Project Initiation Documentation, after which the Project Brief is no longer maintained.

A.20 Project Initiation Documentation (PID)

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. The Project Initiation Documentation gives the direction and scope of the project and (along with the Stage Plan) forms the 'contract' between the Project Manager and the Project Board.

The three primary uses of the Project Initiation Documentation are to:

- Ensure that the project has a sound basis before asking the Project Board to make any major commitment to the project
- Act as a base document against which the Project Board and Project Manager can assess progress, issues and ongoing viability questions
- Provide a single source of reference about the project so that people joining the 'temporary organization' can quickly and easily find out what the project is about, and how it is being managed.

The Project Initiation Documentation is a living product in that it should always reflect the current status, plans and controls of the project. Its component products will need to be updated and re-baselined, as necessary, at the end of each stage, to reflect the current status of its constituent parts.

The version of the Project Initiation Documentation that was used to gain authorization for the project is preserved as the basis against which performance will later be assessed when closing the project.

A.21 Project Product Description

The Project Product Description is a special form of Product Description that defines what the project must deliver in order to gain acceptance. It is used to:

- Gain agreement from the user on the project's scope and requirements
- Define the customer's quality expectations
- Define the acceptance criteria, method and responsibilities for the project.

The Product Description for the project product is created in the Starting up a Project process as part of the initial scoping activity, and is refined during the Initiating a Project process when creating the Project Plan. It is subject to formal change control and should be checked at stage boundaries (during Managing a Stage Boundary) to see if any changes are required, 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.

A.22 Quality Management Approach

A quality management approach describes how quality will be managed on the project. This includes the specific processes, procedures, techniques, standards and responsibilities to be applied.

A.23 Quality Register

A Quality Register is used to summarize all the quality management activities that are planned or have taken place, and provides information for the End Stage Reports and End Project Report. Its purpose is to:

- Issue a unique reference for each quality activity

- Act as a pointer to the quality records for a product

- Act as a summary of the number and type of quality activities undertaken.

A.24 Risk Management Approach

A Risk Management Approach describes how risk will be managed on the project. This includes the specific processes, procedures, techniques, standards and responsibilities to be applied.

A.25 Risk Register

A Risk Register provides a record of identified risks relating to the project, including their status and history. It is used to capture and maintain information on all of the identified threats and opportunities relating to the project.

A.26 Work Package

A Work Package is a set of information about one or more required products collated by the Project Manager to pass responsibility for work or delivery formally to a Team Manager or team member.

SAMPLE FOUNDATION QUESTIONS

Note: The following resources (indicated by a hash '#' symbol) are ALL contained within your On-line event preparation.

To help prepare you for the Foundation exam, you will find a sample **#** Foundation Exam paper within your **On-line event preparation**, available within the 'Exam Preparation' Module, under 'Support Materials'. Being a 'PDF' file, it can be opened and viewed on-screen, or printed out.

There are also hundreds of sample foundation questions to attempt within the **# Foundation Exam Simulator/Test**, which is available within both the 'Introduction to PRINCE2' AND 'Exam Preparation' Modules, under the 'Lessons List' menu on your **On-line event preparation**. *Repeatedly attempting these questions will only get you BETTER prepared for the course and exam!*

The Foundation exam questions provide feedback and 'reference codes' (e.g. 1.1a, 2.1b, 3.1.1a, etc) related to the respective Foundation Syllabus areas they were testing you on. **You have access to the #** PRINCE2 Foundation Syllabus **on your On-line event preparation**, available within the 'Exam Preparation' Module, under 'Support Materials'. Being a 'PDF' file, it can be opened and viewed on-screen, or printed out.

Note re PRINCE2® manual 'section references':
The Foundation question answers provided by the exam simulator also include **'section references'** for all the correct answers which point you to the relevant sections/sub-sections within the official PRINCE2® manual. You can and should use these 'section references' during your study, in particular as part of your on-going exam preparation work outside of the course sessions. As an alternative, during your 'pre-course' work prior to receiving your PRINCE2 manual, please refer to the 'PRINCE2 Primer', 'Key Learning Points', 'PRINCE2® Management Products' and 'Glossary of Terms' sections of this Pre-course Workbook to help with your understanding of the exam question answers, where required.

For your notes

SIMPLE PROJECT SCENARIO EXAMPLE

The Front Door Project
An Open-and-Shut Case!

Now that you've read the 'PRINCE2® Primer', 'Key Learning Points' and 'PRINCE2® Management Products' sections, which would have provided you with some **theory-level** knowledge of PRINCE2's elements and its terminology, the following is a scenario to help with your initial understanding of how and when the various elements of PRINCE2® would be applied to a simple project scenario.

At some point in time, we will all carry out home improvements, perhaps to prepare the house ready for winter, or to add more value to your home to help sell it? If you were to decide to sell your house and wanted to improve the appearance of your front door due to it being old and tatty and consequently spoiling the overall look and value of your house, you could deem this as being a straightforward task, and due to its simplicity has no real relation to the need for 'project management'. It would be tempting to just simply get on with it and sort it out…no planning, no fuss…***just get it done!***

Well, with hindsight, there are many elements of project management which you would quite naturally and easily apply to what seems to be a small and simple task, some without even thinking about it and others with some forethought. Why? Because many elements of project management are really just common sense, come naturally to many and as a result are often applied, without perhaps even realizing it! Whereas other elements aren't quite so obvious, are consequently overlooked and often the cause of many project's problems and in some cases, project failures. PRINCE2® is deemed as being *'structured common sense'* and with that in mind, the following is a simple project scenario to help with your initial learning and understanding of PRINCE2® and its 'TAILORED' application.

Front Door Project Scenario

To help with your pre-course learning and initial understanding of PRINCE2® and how it would be applied in a project, below is by no means a full scenario reflecting 'reality', but is a list of *some* situations related to work to improve the appearance of a front door, which we've treated as a small, **simple** project. Each of the project situations/considerations (shown on the left) have been mapped to the relevant elements of PRINCE2®, as well as some general project management aspects which apply (shown on the right). The following also shows how PRINCE2® is scalable, so can and should be 'TAILORED' to suit different sizes and types of projects, in this case a very small, **SIMPLE** project!

The PRINCE2® specific information/terminology in the right-hand column is highlighted in **bold**.

Front Door Project Considerations	PRINCE2/Project Management Elements
First of all, you'll need to decide who's going to manage what?	This is covered by designing and appointing the **project management team** for the project **Organization.**
Who's paying for the work and will be the main decision-maker that's looking for a return on their investment of time and money? Let's assume this will be the home owner.	This will be the **Executive** role. There should only be 'one' person as **Executive** in a PRINCE2 project. They are ultimately accountable for the project.
The people living in the house will be the 'users' of the decorated front door (the project product). Who is in a position to make decisions on behalf of, and look	This would be the **Senior User** role. There can be *more than one* **Senior User** depending on the number of 'user' areas, i.e. the people who will either

Front Door Project Considerations	PRINCE2/Project Management Elements
after the wants and needs of such people? Perhaps the home owner again and also their partner. Essentially, the door needs to be 'useable' for everyone. For example, how high should any new locks and handles be positioned and how simple/easy should they be to operate and maintain?	operate and/or maintain the **products** after the project. Alternatively, whoever is the **Executive** could also fulfil the **Senior User** role, i.e. will be paying for the project/looking for a good investment (**Executive**) AND they could be the ideal person to ensure the solution is going to be suitable for the various people who will be using and/or maintaining the **project product** (**Senior User**).
Who is going to acquire/supply the resources required to create the project product (the redecorated front door), has the technical/specialist knowledge of the proposed solution, knows what resources are needed to decorate the front door and can commit to those resources? Let's assume the home owner's Son can do this due to having specialist knowledge of decorating and has a useful collection of DIY/decorating tools available at his disposal!	This would be the **Senior Supplier** role. There can be more than one **Senior Supplier**, depending on the number of companies involved in developing the products/solution. PRINCE2 assumes a **Customer/Supplier environment**. Collectively, the **Executive** and **Senior User roles** will be from the **'Customer environment'** (who will specify the desired result, pay for and benefit from the project) and the **Senior Supplier role** from the **'Supplier environment'** (who supplies the resources/skills required to deliver/create the result).

Who is well organized and able to plan, monitor, coordinate and control the project on a daily basis, as well as ensure everyone remains motivated so the work gets done on time and to budget? Let's say the home owner's Daughter has the requisite skills to do this, plus she has the added benefit of having recently attended a PRINCE2 training course!	This would be the **Project Manager** role.
	
	There are other **Project Management team roles** which the people who'll be performing the above roles/responsibilities could do *in addition to* those roles, such as; **Project Assurance**, **Change Authority**, **Team Manager** and **Project Support**. Therefore, in a very small project it would usually be necessary and totally acceptable to **'combine'** certain (but not all) **roles** and allocate them and the associated responsibilities to just *one* person. For example, whoever's the **Project Manager**, it would be acceptable for them to also perform the **Team Manager** and **Project Support** roles. By doing this you would be 'tailoring' PRINCE2.
	
	Example relevant PRINCE2 themes & processes which apply:
	
	• **Processes:**
	  - Starting Up a Project
	  - Initiating a Project
	  - Managing a Stage Boundary
	• **Themes:**
	  - Organization

Front Door Project Considerations	PRINCE2/Project Management Elements

Is it worthwhile completely replacing the front door with a new door, or simply redecorating the existing door? What's the best option?
 	
The home owner should consider:
 	
What it will cost them to do the work and what benefit will they get from doing it? What value will it add to the house (what are the benefits to be gained)?
 	
They also need to ask "will I get a return on my investment of time and cost"? If the cost of a new front door is £4,000, (it's a very big front door!), but the resulting increase in the property value (benefit) is just £3,000, they would of course probably think twice about selecting a new front door as the chosen business option!
	What the various **business options** are to address the problem/need, whether a project is worth doing, and working out whether the investment is going to be worthwhile in respect to getting a financial return on the investment is relevant to the project's **Business Case** (initially created in 'outline', then a 'detailed' **Business Case** is assembled in the **Project Initiation Documentation**, aka **'PID'**).
	'Do Nothing' is one **business option** which should *always* be considered!
	The **Business Case** should include:
	The project's **Reason(s), Business Options, Benefits, Dis-benefits* (negative outcomes), Timescales, Costs and Major Risks.**
	*An example **'dis-benefit'** could be that, due to the front door being open whilst decorating, heat will be lost from the house causing that month's gas bill to be higher!*
	
	Example relevant PRINCE2 themes & processes which apply:
	• **Processes:**
	  - Starting Up a Project
	  - Initiating a Project
	  - Managing a Stage Boundary
	• **Themes:**
	  - Business Case

Ok, so they've chosen the business option to redecorate the door. The home owner now needs to *describe* the end product (i.e. Redecorated Front Door) and say what levels of quality and specification will make the finished door ultimately acceptable to them.	A description of the end **product** and your expectations of its required levels of quality involves writing a **Project Product Description** (which becomes part of the **Project Plan** and assembled in the **PID).** The **Project Product Description** will include the **customer's quality expectations** and the overall **acceptance criteria** for the redecorated front door. It would then be used to further **scope** out the project to identify any other **products** required (e.g. handles, letterbox etc) which the decorated front door will be composed of. This involves creating a **Product Breakdown Structure (PBS)**. This is done when producing the **Project Plan. Product Descriptions** would be written for each of the products shown on the **PBS**. The products are then put into a **Product Flow Diagram (PFD)** which shows the sequence and dependencies between the products. Being such a simple solution, the end product (**Project Product**) could pretty much be just the 'one' major product, i.e. the 'decorated front door'. In such cases, it would be that you'd only perhaps need to write a **Project Product Description** (for the 'decorated front door'), with no need for a **PBS**, further **Product Descriptions** or a **PFD**, as there may be no other sub-products of the door

Front Door Project Considerations	PRINCE2/Project Management Elements

	requiring additional breakdown or detailed **Product Descriptions.** By doing this you would be 'tailoring' PRINCE2.
	
	Example relevant PRINCE2 themes & processes which apply:
	
	- **Processes:**
	  - Starting Up a Project
	  - Initiating a Project
	- **Themes:**
	  - Plans
	  - Quality

Leading on from the business options in the Business Case and choosing/describing the end product (Redecorated Front Door), they'll then need to establish 'how' they should approach the work to create the product? E.g. could they 'do it themselves', or perhaps they should 'outsource' and get someone independent to do the work for them? What's the best approach to delivering the chosen business option?
In this scenario, they've decided the most appropriate and cost-effective approach is to do the work themselves (good old DIY)!
	Determining 'how' the chosen business solution will be reached (i.e. **the method of delivering the solution**) and what impact this approach will have on the project's **objectives,** such as **time, cost, quality, scope, benefits and risk** and indeed what impact such things would have on your chosen solution, is considered when defining the **Project Approach.**
	
	For example, governing rules of a housing estate and/or local council regulations may limit and possibly even determine your approach and chosen solution, as well as limit you with constraints, such as having to wait for third-party work approvals/confirmations, etc.
	
	The Project Approach, Business Case (outline), Project Management team design and the **Project Product Description** will be included as sub-sections of a **Project Brief,** along with other information such as the **time, cost and scope objectives**. The **Project Brief** is later used to create the **PID**.
	
	Example relevant PRINCE2 themes & processes which apply:
	
	- **Processes:**
	  - Starting Up a Project
	- **Themes:**
	  - Various, as the project approach will have an impact on elements such as, Organization, Business Case, Risk, Quality and Plans.

They should ensure the quality requirements are thought out in advance, planned and applied/monitored during the work, including carrying out appropriate quality checks/inspections of the products being created, e.g. the paint durability, robustness of locks etc.	**A Quality Management Approach** (assembled in the **PID**) should be created to ensure appropriate **quality planning** and **quality control** procedures/methods/tools and responsibilities are applied throughout the project**.** This is ultimately to ensure that the required levels of **quality** are agreed and 'built-in' to the **products** during

Front Door Project Considerations	PRINCE2/Project Management Elements
The front door needs to be fit-for-purpose and satisfy stated needs/requirements. The required level of quality should be agreed and 'built-in' to the solution, NOT left as an afterthought!	development, as well as checked/verified as being so on completion of the work. In addition, a **Quality Register** would be used to show all the planned and actuals, including the results of the quality activities, e.g. **quality reviews**, checks, tests, inspections and audits undertaken throughout the project. **Example relevant PRINCE2 themes & processes which apply:** • **Processes:** - Initiating a Project • **Themes:** - Quality
They need to agree if the project is to involve just simply decorating the door, or whether it's to include new door furniture, (letterbox, handles, locks, etc). It is important to agree this, otherwise the amount of work they've planned to do is either going to be insufficient to deliver a quality 'fit-for-purpose' product, or is likely to increase, resulting in an unplanned/uncontrolled increase in the time and cost of doing the work. Changes to the planned work can be good, but equally can cause problems. Basically, they don't want to be spending so much extra time and money on decorating the front door which then outweighs any benefits (e.g. increase in house value) to be gained from decorating it. Uncontrolled change can often have a significant impact on the Business Case, particularly the benefits.	What **products** the project is going to deliver, as well as what it is NOT, is known as **scope**. **Planning** and creating a **Product Breakdown Structure** and writing **Product Descriptions** will help to identify and define the project's '**scope**', i.e. the full set of products you intend to create. Don't let the **scope** of your project 'creep'. Always carry out an **impact analysis** on each proposed change to the originally planned **scope** and give each proposed change (through a **change control procedure**) your consideration and make a good, sound, judged decision before going ahead with any changes. Not doing so can have a negative **impact** on your **objectives** of **time, cost, quality, scope, risk** and in particular, the **benefits**. The **scope** of the project will be shown in the **Project Plan**, (assembled in the **PID**). **Change control procedures** will be detailed in the **Change Control Approach** (also assembled in the **PID**). **Example relevant PRINCE2 themes & processes which apply:** • **Processes:** - Starting Up a Project - Initiating a Project • **Themes:** - Quality - Plans - Change
The work may cause some dust, noise and disturbance for their neighbours. (from the loud electric sanders!) Anyone approaching the door will also need to be warned of the *wet* paint, such as the Postman! Such people will have an interest in the project because it is going to affect them in some way and/or they could affect your project. Therefore, they should brief their	Identifying such interested parties (Stakeholders) is addressed through **stakeholder management** and a project should communicate with them at the appropriate times and in an effective way. This is handled through a **Communication Management Approach,** (assembled in the **PID**).

Front Door Project Considerations	PRINCE2/Project Management Elements

neighbours prior to and during the work and put up signs to warn the Postman of the wet paint!	Communication should be a continuous effective two-way process throughout the project, but if ineffective can cause issues and in some extreme cases, even project failure!
	
	Example relevant PRINCE2 themes & processes which apply:
	
	- **Processes:**
	  - Starting Up a Project
	  - Initiating a Project
	- **Themes:**
	  - Organization

Everything is now decided on what they intend to do and they now want to get 'stuck-in'! But, before they do, they should think it through first to work out the detail of what products they specifically intend to create, what they need to do to create them and what materials, tools & resources they'll need to do the work. If they don't do this 'advanced thinking' (i.e. planning) they'll almost certainly get stopped in their tracks, possibly several times during the work, as well as make countless time-consuming and costly journeys to their DIY store. If so, the job is now likely to take much longer and cost more than they had planned, due to the additional fuel costs and time spent making the unnecessary additional journeys!	What you intend to do should be 'rehearsed' to see whether the intended work is achievable within the timescale, budget and with the resource you have available.
	
	Thinking ahead to work out what needs to be created (**the products**), what work needs to be performed to create the products (**the activities**), what you require to do the work (**the resources**), as well as what things need to be done and by when (**the schedule**), are the steps of **planning** and involves creating a **Plan** to include such information. You should ALWAYS plan. If you don't, then you're planning to fail!
	
	A **Product-based Planning** approach to creating a **Plan** is a very useful technique and helps to clarify the **scope** of the work to be done. There are four steps to **PRINCE2's Product-based Planning technique**, which are:
	
	- **Writing a Project Product Description**
	- **Creating a Product Breakdown Structure**
	- **Writing Product Descriptions**
	- **Creating a Product Flow Diagram** (optional)
	
	Example relevant PRINCE2 themes & processes which apply:
	
	- **Processes:**
	  - Starting Up a Project
	  - Initiating a Project
	  - Managing a Stage Boundary
	- **Themes:**
	  - Plans

The work is well underway and they've been asked by a family member to include new door seals and a draft excluder which weren't part of the project's originally planned scope/specification. They want these extra	This is managed, assessed and controlled as part of a **Change Control Procedure.** Changes are almost inevitable as the solution evolves.

Front Door Project Considerations	PRINCE2/Project Management Elements
products to reduce the amount of draft coming from the door which the currently planned redecoration work won't resolve. They shouldn't however just add these additional products to the solution without thinking it through first. E.g. what's the impact of this on the time and cost of the originally planned work? And, if they make any changes to the project product (the redecorated front door), they should also consider what impact this may have on other parts of the solution. Be aware that if you make a change to one part of the solution, this may negatively impact other products. For example, adding a draft excluder to the front door may prevent the door from closing properly due to the size/shape of the door frame! The draft excluder may look nice, but the solution now doesn't work properly, meaning it's no longer fit-for-purpose…thus making it a 'poor quality' front door!	The **customer**, in particular the **users** from the **customer** environment, are likely to ask for changes (**requests for change**), which is fine, but these should NOT be applied without consideration of the impact they would have on the project's objectives (e.g. you should consider what impact any **issues** and proposed **changes** will have on your planned **performance targets** of **time, cost, quality, scope, risk** and in particular **the benefits**). Some changes can indeed be bad ideas and have a negative impact, but others can be good for the project and the solution. Therefore don't try to *prevent* changes to what was originally agreed/planned, as some changes can lead to a *better* solution and *increased* **benefits**. Changes to products and the different versions of products needs to be properly managed. Your procedures, tools and responsibilities for capturing issues/managing change and for protecting, version controlling and linking relationships between the products will be documented in the **Change Control Approach,** (assembled in the **PID**). An **Issue Report** is created for any **issues** raised which need handling 'formally' and are entered in an **Issue Register**. A **Daily Log** can be used to record and manage any **issues** which can be handled 'informally'. **Example relevant PRINCE2 themes & processes which apply:** • **Processes:** - Initiating a Project - Controlling a Stage • **Themes:** - Change
The work is underway and it begins to rain. They did not consider the possibility of it raining and the negative impact this would have on the work. They now have ruined paintwork which needs repainting, causing major delays to the work. A Project Manager should not only consider the things they know *will* happen, but also the things that 'might' happen. They should always think 'what if' and consider the situations that *might* occur during the work which, in particular, if they were to happen would cause them problems in achieving their planned objectives/targets, such as time and cost. Things that *might* happen are 'risks'. They should have thought about the risks related to the work. Maybe if	The situations/events which 'might' occur are deemed as being **'risks'** and should be **identified & assessed for probability/impact and controlled.** For **risk** *threats* which would have a 'negative' impact on objectives, you could choose to remove or reduce the likelihood of them happening and/or remove/lessen the impact on the project's objectives if they were to occur. Be aware though that **risks** can be *opportunities*, which you may choose to try to increase the likelihood of them occurring due to the impact being a 'positive' one! Identifying the **threats** and **opportunities** which might occur is handled by applying a **Risk Management**

Front Door Project Considerations	PRINCE2/Project Management Elements
they **had** considered the possibility of it raining, they could have built a plastic cover over the work area and continued with the job with little or no impact on their planned completion time!	**Procedure** and documenting the details of the risks in a **Risk Register.** Your overall approach (procedures / tools / responsibilities) to **risk management** would be documented in a **Risk Management Approach,** (assembled in the **PID**). **Risk management** should be continuous throughout each **stage** of the project. **Example relevant PRINCE2 themes & processes which apply:** • **Processes:** - Starting Up a Project - Initiating a Project - Controlling a Stage - Managing a Stage Boundary • **Themes:** - Risk
From time to time they should look to see what work they've managed to complete and what work is still to be done. The Project Manager should compare this against what they had planned and see if they are forecasting to finish within the planned time and cost. A few verbal updates will also occur from time to time when they're asked…"so how's it going"? The Project Manager should easily be able to answer this! If the work is forecasting to be finished later than the planned time of, say 6 P.M, then how much later is deemed as being 'too late'? Perhaps 7 p.m. because at this time it's considered to be too dark to carry on! Tolerances should be applied to agree this allowed *deviation* of time and if they are forecasting to NOT finish the job before this extended time, then perhaps measures should be taken to 'wrap things up' for the day so that work can quickly and easily commence again early the next morning with minimal impact! The people involved should be kept informed of work progress in a timely manner, not just throughout the project but also when the work is coming to an end. They need to be able to answer questions such as: "How are we doing"? "Are there any problems"? "Should we carry on, or should we stop"? Even in this small, simple project, effective communication will be key to enabling effective monitoring and decision making.	It's important to monitor the work and take control of any deviations from the agreed plan and to take corrective action to keep the work as close to the agreed planned targets as possible. If you're forecasting the work is going to be finished later than planned, you could take corrective action, within your remit, by making adjustments to the planned activities/resources to help speed things up. Monitoring and reporting is handled using **progress controls,** e.g. monitoring the work and regularly reporting progress updates using **Checkpoint Reports** and **Highlight Reports)** and by applying **tolerance (permissible deviation)** to allow for inaccuracies in the time/cost estimates and for any unforeseen problems occurring. **Tolerance** can be applied to the **performance targets** of **time, cost, quality, scope, risk and benefits.** If, for example, it is forecast that you will not finish a particular stage of your project *within* the agreed **time tolerance**, then this should be escalated to the **Project Board,** via an **Exception Report** with a recommendation on what action you need to take. Project progress and performance should also be reported at the end of each stage via an **End Stage Report** and at the end of the project using an **End Project Report.**

Front Door Project Considerations	PRINCE2/Project Management Elements
	Details of communication frequency/format etc, would be documented in a **Communication Management Approach.**
	In this Front Door Project, all of the project's reports mentioned above would almost certainly be handled *verbally*! In the case of a small project, keep it simple yet relative. This would be 'tailoring' of PRINCE2 to suit a small, simple project.
	Example relevant PRINCE2® themes & processes which apply:
	Processes: - Initiating a Project - Directing a Project - Controlling a Stage - Managing Product Delivery - Managing a Stage Boundary - Closing a Project **Themes:** - Progress - Organization

The above examples of project management related work would be 'process-driven'. PRINCE2's 7 **Processes** would be used to drive you through the management of the project, covering the project management related activities relevant to the examples of PRINCE2®/project management elements given in the right-hand side column of the above scenario, e.g. creating all the various management products (documents), such as the Business Case, Risk Management Approach, Project Plan, Highlight Reports, etc. In a very small project, many of the management products could be combined and some, such as the reports, can be handled verbally. PRINCE2® does NOT mean 'lots' of documentation and/or lengthy written reports! PRINCE2® gives guidance on this within its 'Tailor to suit the Project' principle as well as other guidance throughout the method.

All the necessary project management related activities need to be considered and undertaken at the appropriate times of the project. Having a series of processes to follow which cover such activities will help you to apply a consistent approach to any project, regardless of its size and complexity. This is why PRINCE2® contains a set of 7 Processes, which comprise a number of project management related activities that are used to 'drive' you through the management of the lifecycle of the project. The Processes are:

- **Starting Up a Project (SU)**
- **Directing a Project (DP)**
- **Initiating a Project (IP)**
- **Controlling a Stage (CS)**
- **Managing Product Delivery (MP)**
- **Managing a Stage Boundary (SB)**
- **Closing a Project (CP)**

Through this front door project scenario, we can also see examples of how and where the various aspects of project management, covered by PRINCE2's 7 **Themes** (outlined below), have been applied:

PRINCE2 Themes:

- **Organization Theme** - Deals with the Project Management Team design, roles and responsibilities. Sets accountability within the project and deals with communication with Stakeholders.
- **Business Case Theme** - Looks at project viability and whether the investment of time and money in the front door is worthwhile and will deliver the required benefits.
- **Plans Theme** - Covers the need to plan the work out and estimate the costs/timeframes before any 'doing' begins and to re-plan if the original plan's time and cost tolerances are forecast to be exceeded. PRINCE2 uses the product-based planning technique to help with planning.
- **Quality Theme** - The need to define & agree what it is that will make the new front door an acceptable product (customers quality expectations/overall acceptance criteria and each product's specific quality criteria) and how the required quality will be planned, controlled throughout the project and be 'built-in' to the products and confirmed as such during the project.
- **Risk Theme** - Identifies, assesses and controls the uncertainties. i.e. things that *might* happen, which if they did, would cause either negative or perhaps positive effects on the project's objectives/performance targets.
- **Change Theme** - The need to identify and control any potential and approved changes to what we had originally *agreed* to deliver, i.e. the baselines, and to track, protect and version control the products during the project.
- **Progress Theme** - Covers the monitoring and reporting of the work to see whether the work is progressing according to the plan and to take action to keep things progressing as close to the original planned targets as possible. To forecast the projects objectives and continued viability and to escalate a situation where tolerances (permissible deviations to targets such as time and cost) are forecast to be exceeded.

Processes and Themes Summary

PRINCE2's 7 Themes are applied at the appropriate times to help you undertake the PRINCE2 process' activities more effectively and professionally. Essentially, by carrying out the right project management activities, **(PRINCE2's 7 Processes)** and applying the relevant aspects of project management **(PRINCE2's 7 Themes)**, you'll instinctively be supporting and applying PRINCE2's **7 Principles** (shown below), which are based on good, sound project management practices.

PRINCE2 Principles:

- **Continued business justification**
- **Learn from experience**
- **Defined roles and responsibilities**
- **Manage by stages**
- **Manage by exception**
- **Focus on products**
- **Tailor to suit the project**

Projects need a *consistent* management approach. They should be driven by a set of processes and project management aspects (Themes), which in turn will help to support the Principles of good, sound project management. In addition, every project should have clearly defined roles and responsibilities for the various project management team members so that there's no misunderstanding of who's accountable to whom and what, as well as who's responsible for doing what. PRINCE2 addresses all these factors through its **four integrated elements,** which are: '**The Processes**'; '**The Themes**; '**The Principles**' and **'The Project Environment'.**

GLOSSARY OF TERMS

Term	Definition
accept (risk response)	A risk response to a threat or opportunity where a conscious and deliberate decision is taken by the organization where it 'takes the chance' that the risk will occur, with its full impact if it did.
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.
Accountable	Personally answerable for an activity. Accountability cannot be delegated, unlike responsibility.
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 and agile methods	A broad term for a collection of behaviours, frameworks, concepts and techniques that go together to enable teams and individuals to work in an agile way that is typified by collaboration, prioritization, iterative and incremental delivery, and timeboxing. There are several specific methods (or frameworks) that are classed as agile, such as Scrum and Kanban. PRINCE2 is completely compatible with working in an agile way.
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.
asset	An item, thing or entity that has potential or actual value to an organization [ISO 55000:2014].
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 re-planning.
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'.*
authority	The right to allocate resources and make decisions (applies to project, management stage and team levels).
authorization	The point at which an authority is granted.
avoid (risk response)	A risk response to a threat where action is taken to remove the cause of the threat to ensure it either can no longer have an impact, or can no longer happen.

Term	Definition
backlog	A list of new features for a product. The list may be made up of user stories which are structured in a way that describes who wants the feature and why.
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 Management Approach	A benefits management approach defines the benefits management actions and benefits reviews that will be putin place to ensure that the project's outcomes are achieved and confirm that the project's benefits are realized. If the project is part of a programme, the benefits management approach may be contained within the programme's benefits realization plan and executed at the programme level. Post-project, the benefits management approach is maintained and executed by corporate, programme management or the customer.
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'.
Burn chart	A technique for showing progress (e.g. such as with a timebox), where work that is completed and work still to do are shown with one or more lines that are updated regularly or daily.
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 projects agreed objectives are identified, assessed and either approved, rejected or deferred.
Change Control Approach	A description of how and by whom the project's products will be controlled and protected.
checkpoint	A team-level, time-driven review of progress.
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 Approach	A description of the means and frequency of communication between the project and its stakeholders.

Term	Definition
concession	An off-specification that is accepted by the Project Board without corrective action.
configuration item	An entity that is subject to change control. 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 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.
Corporate, programme management or customer standards	These are overarching standards to which the project must adhere. They will influence the four project approaches (communication management, change control, quality management and risk management) 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'.
delivery approach	The specialist approach used to create the products. e.g. waterfall approach (sequential delivery) , agile approach (iterative delivery)
delivery step	A step within the delivery approach.
dependency (plan)	A dependency means that one activity is dependent on another. There are at least two types of dependency relevant to a project: internal and external. An internal dependency is one between two project activities. In these circumstances the project team has control over the dependency. An external dependency is one between a project activity and a non-project activity, where non-project activities are undertaken by people who are not part of the project team. In these circumstances the project team does not have complete control over the dependency.
dis-benefit	A measurable decline resulting from an outcome perceived as negative by one or more stakeholders, which reduces one or more organizational objective(s).
embedding (PRINCE2)	The act of making something an integral part of a bigger whole. Embedding is what an organization needs to do to adopt PRINCE2 as its corporate project management method and encourage its widespread use.
End Project Report	A report given by the Project Manager to the Project Board, which 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.

Term	Definition
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's performance during the management stage and the project status at the management stage end.
enhance (risk response)	A risk response option for an opportunity. Enhancing an opportunity is the reverse process to reducing a threat (i.e. making the opportunity more likely to occur and/or increasing the impact if it did).
epic	A high-level definition of a requirement that has not been sufficiently refined or understood yet. Eventually, an epic will be refined and broken down into several user stories or requirements.
event-driven control	A control that takes place when a specific event occurs. This could be, for example, the end of a management stage, the completion of the PID, 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 the project manager and the project board (or between the project board and corporate, programme management or the customer).
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.
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)	This risk response option is suitable for an opportunity and is about making the uncertain situation certain by implementing the cause of an opportunity.
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.

Term	Definition
Highlight Report	A time-driven report from the Project Manager to the Project Board on management 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.
Information radiator	A general term used to describe the use of walls or boards containing information that can be readily accessed by people working on the project. It can contain any information, although it would typically show such things as work to do and how work is progressing.
inherent risk	The exposure arising from a specific risk before any action has been taken to manage it.
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.
Key performance indicator (KPI)	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.
log	An informal repository managed by the Project Manager that does not require any agreement by the Project Board on its 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.
maturity	A measure of the reliability, efficiency and effectiveness of a process, function, organization, etc. The most mature processes and functions are formally aligned with business objectives and strategy, and are supported by a framework for continual improvement.
maturity model	A method of assessing organizational capability in a given area of skill.
milestone	A significant event in a plan's schedule, such as completion of key Work Packages, a technical stage, or a management stage.
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.

Term	Definition
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	The totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.
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.
prepare contingent plans (risk response)	This risk response option involves preparing plans now, but not taking action now. Most usually associated with the accept option, preparing contingent plans in this instance is saying: 'We will accept the risk for now, but we'll make a plan for what we'll do if the situation changes.' This option applies equally to other responses and is often referred to as a 'fallback' plan (i.e. what we will do if the original response does not work). Fallback plans apply to all other strategies, even avoiding a threat and exploiting an opportunity, because the plan to avoid/exploit may not be successful despite good intentions.
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.
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.

Term	Definition
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	An approach for developing a comprehensive plan based on the creation and delivery of required outputs. The approach considers prerequisite products, quality requirements and the dependencies between products.
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 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.
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 initiation of a project to the acceptance of the project product.
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.

Term	Definition
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.
quality	The degree to which a set of inherent characteristics of a product, service, process, person, organization, system or resource fulfils requirements.
quality assurance	A planned and systematic process that provides confidence that outputs will match their defined quality criteria when tested under quality control. It is carried out independently of the project team.
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 Approach	An approach 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 an organization or specific entity (site, business unit, etc.) within that organization.
quality records	Evidence kept to demonstrate that the required quality assurance and quality control activities have been carried out.

Term	Definition
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'.
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 risk response option for a threat. This risk response option involves definite action now to change the probability and/or the impact of the risk. The term 'mitigate' is relevant when discussing reduction of a threat (i.e. making the threat less likely to occur and/or reducing the impact if it did).
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.
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	Used to describe the individual who has the authority and is expected to deliver a task or activity; responsibility can be delegated.
responsible authority	The person or group commissioning the project (typically corporate, programme management or the customer) who has the authority to commit resources and funds on behalf of the commissioning organization.
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 exposure	The extent of risk borne by the organization at the time.

Term	Definition
risk management	The systematic application of principles, approaches and processes to the tasks of identifying and assessing risks, planning and implementing risk responses and communicating risk management activities with stakeholders.
Risk Management Approach	Describes 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.
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	The response to manage a risk. For threats, the individual risk response options can be 'avoid' or 'reduce. For opportunities, the individual risk response options can be 'exploit' or 'enhance'. 'Transfer', 'accept', 'share' and 'prepare contingent plan' are options suitable for either threats or opportunities.
risk tolerance	The threshold levels of risk exposure that, with appropriate approvals, can be exceeded, but which when exceeded will trigger some form of response (e.g. reporting the situation to senior management for action).
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.
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'.
Scrum	An iterative, timeboxed approach to product delivery that is described as 'a framework within which people can address complex adaptive problems, while productively and creatively delivering products of the highest possible value' (Schwaber and Sutherland, 2016).
Scrum master	A Scrum role that is responsible for ensuring Scrum is understood and enacted and that the Scrum team adheres to Scrum theory, practice and rules.

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)	Share is a risk response option that is different in nature from the transfer response. It seeks multiple parties, typically within a supply chain, to share the risk on a pain/gain share basis.
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'.
Stage Plan	A detailed plan used as the basis for project management control throughout a management 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).
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.
supplier	The person, group or groups responsible for the supply of the project's specialist products.
tailoring	Adapting a method or process to suit the situation in which it will be used.
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.
theme	An aspect of project management that needs to be continually addressed, and that requires specific treatment for the PRINCE2® processes to be effective.
threat	An uncertain event that could have a negative impact on objectives or benefits.
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'.

Term	Definition
timebox	A finite period of time when work is carried out to achieve a goal or meet an objective. The deadline should not be moved, as the method of managing a timebox is to prioritize the work inside it. At a low level a timebox will be a matter of days or weeks (e.g. a sprint). Higher-level timeboxes act as aggregated timeboxes and contain lower-level timeboxes (e.g. stages).
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.
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, benefits and risk. Tolerance is applied at project, management 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)	Transfer is a risk response option that aims to pass part of the risk threat to a third party. Insurance is the classic form of transfer, where the insurer picks up the risk cost, but where the insured retains the impact on other objectives (e.g. time delay). Transfer can also apply to opportunities, where a third party gains a cost benefit but the primary risk taker gains another benefit, but this is not a commonly used option whereas transfer of threats is commonly used.
trigger	An event or decision that triggers a PRINCE2® process.
user	The person or group who will use the project product.
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 story	A tool used to write a requirement in the form of who, what and why.
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.