WHAT IS PRINCE2®?

Introduction

PRINCE2® (Projects in a Controlled Environment) is a structured project management method that can be applied regardless of project scale, type, organisation, 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.
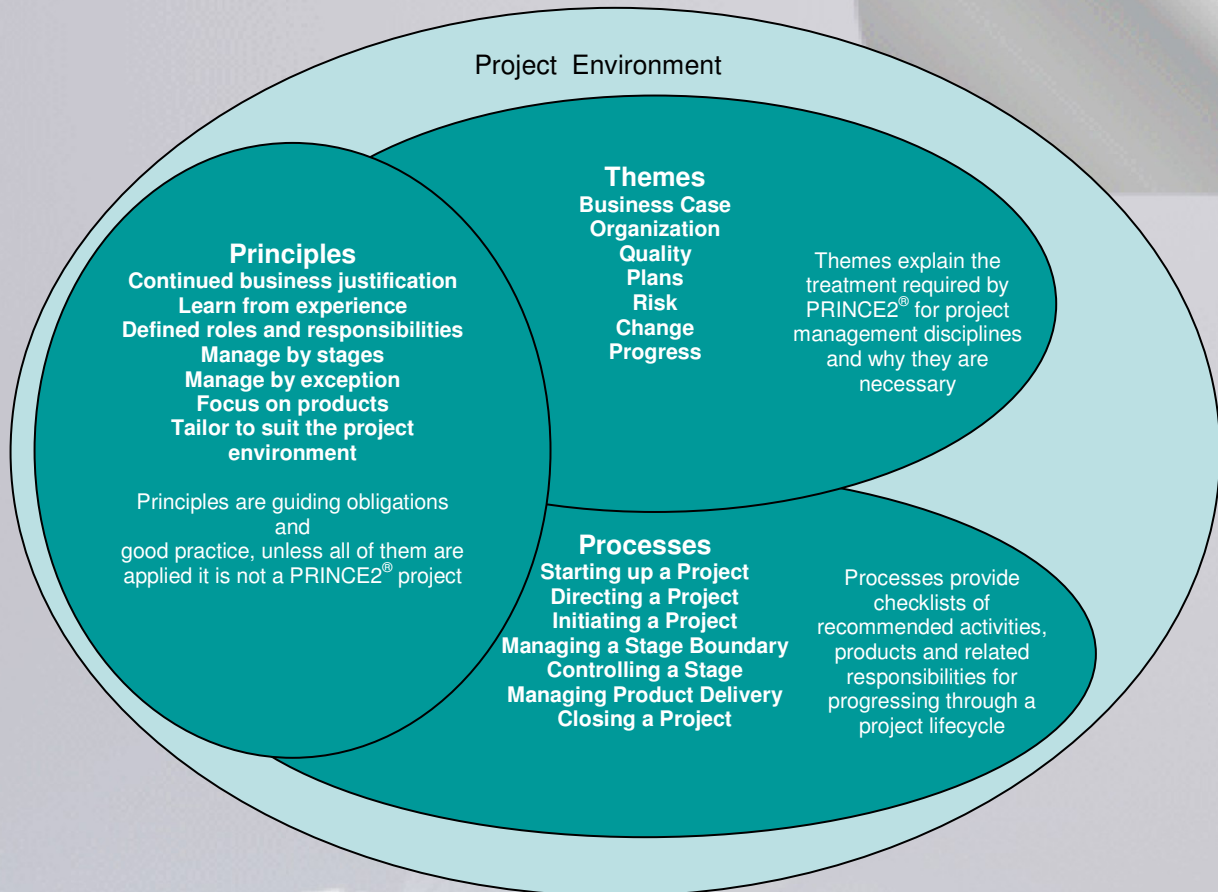
Benefits

There are many benefits of using PRINCE2® but primarily it:

- ensures that the 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.

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

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 organisation 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 organisation 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 of stages, each forming a distinct unit for management purposes. Like the project, a stage is driven by a series of sub-processes, has a defined set of products and activities, a finite life span, control elements, and an organisation structure. The delivery of these products, to the agreed quality standards, marks the completion of the stage

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. Exception occurs when any of these 6 aspects are 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 and their quality requirements, and recognises that successful projects are output-orientated and not activity-orientated. An output-orientated project agrees and defines the project's product before 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 environment

PRINCE2® is tailored to suit the project's environment, size, complexity, importance, capability and risk. For each organisation and each project the Project Manager and Project Board make a decision on how the method will be applied. PRINCE2® requires 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.

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 organisation 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.
Organisation	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.
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 Managers ensure these are delivered to the required standard.
Plans	How? How Much? When?	This theme describes the steps required to develop plans and how the PRINCE2® technique of Product Based Planning should be applied. Plans are the focus of communication and control as the project proceeds.
Risk	What if?	This theme addresses how project management 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 on any of the project tolerances of Time, Cost, Quality, Scope, Risk and Benefits. These issues could be unanticipated general problems, requests for change or instances of quality failure.
Progress	Where are we now? Where are we going?	This theme explains the decision making process for approving plans, the monitoring of performance 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.

Processes

PRINCE2® takes a process-based approach to project management. There are seven processes in PRINCE2® which provide the set of activities to direct, manage and deliver a project successfully.

Processes	Explanation
Starting Up a Project (SU) Pre-Project For Managing	Establishes the project 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. 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. It authorises project initiation, each subsequent stage, project closure and, in some cases, its premature termination. The Project Board can also give informal and formal advice on issues that arise throughout the life of the project.
Initiating a Project (IP) Initiation Stage For Managing	This process plans the project at high-level, establishes the project management strategies and controls, develops a robust Business Case and a means of reviewing benefits, and 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 stage (except the final stage), this process is used to plan the next stage in detail. It reports on the achievements of the current stage and the impact on the overall Project Plan and Business Case. Plans for the Next Stage (Products, Activities, Resource Usage) 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 basic day-to-day project management process - authorising work to create or change products, collecting and reflecting "actuals", assessing progress and reporting to senior management, capturing proposed changes and errors and escalating these, where appropriate to the Project Board.
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; progress (Checkpoint Report) is provided to the Project Manager; and the quality activities defined in each Product Description are implemented and the products 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 is confirmed and the projects products are handed over. Any activities required to review benefits that have not yet been realised are documented in the Benefits Review Plan. The End Project Report is prepared to include a review of the Business Case, the projects objectives and team performance. A summary of any follow on recommendations is created, and a Lessons Report is created for future reference.

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 elements as described above which means if any elements are omitted then the project management for the project is weakened. The goal is to apply a level of project management that does not overburden the project but provides the right level of control given the environment within which it is implemented.