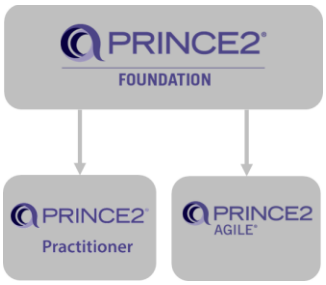
PRINCE2® Foundation

- **What is PRINCE2?**
  - PRojects IN Controlled Environments (1989)
  - PRINCE2 is the updated version of the methodology and was first released in (1996)
  - Defacto standard in the UK and the United Nations
  - PRojects IN a Controlled Environment (2009)
  - Exam objectives were last updated in 2017
  - One of the world's most popular project management methodologies
  - Focuses on Principles, Themes, and Processes
  - Tailors these concepts to a particular project regardless of its size
    - Used in Large, Medium, or Small Projects
- **7 Principles**
  - Building blocks for the PRINCE2 methodology
    - Continued Business Justification
    - Learn from Experience
    - Defined Roles and Responsibilities
    - Manage by Stages
    - Manage by Exception
    - Focus on Products
    - Tailor to the Environment
- **7 Themes**
  - Project management areas to be continually addressed during the project
    - Business Case
    - Organization
    - Quality
    - Plans
    - Risk
    - Change
    - Progress
- **7 Processes**
  - Describes who, what, and when of the project
    - Starting Up a Project
    - Initiating a Project
    - Directing a Project
    - Controlling a Stage
    - Managing Product Delivery
    - Managing a Stage Boundary
    - Closing a Project

Exam Fundamentals

- **Exam Description**
  - First level of certification in PRINCE2
  - Introduces the PRINCE2 method
  - Do you know and understand PRINCE2 to work effectively inside of a project management team within the PRINCE2 environment?
  - Must pass Foundation before attempting either the Practitioner or Agile Practitioner certification
- **Exam Details**
  - 60 questions in 60 minutes
    - Multiple-choice
  - Requires 33 out of 60 (55%) to pass
  - Closed Book
  - Last Updated in January 2018
- **Are You Ready?**
  - Take practice exams
  - Did you score at least 70% or higher?
  - If you need more practice, take additional practice exams to hone your skills before attempting the certification exam…
- **What Comes Next?**



- **Practitioner Certifications**
  - Practitioner
    - Designed for people who manage projects
    - Focus on the day to day workings of PRINCE2
    - Do you know how to apply and tailor the method to different project environments and scenarios?
  - Agile Practitioner
    - Designed for people who apply PRINCE2 in a Scrum or Kanban agile environment
    - Designed for people working with the projects, products, and program delivery

Project Management

- **What is Project Management?**
  - Practice of initiating, planning, executing, controlling, and closing the work of a team to achieve specific goals and meet specific success criteria at the specified time
- **What is a Project?**
  - A temporary organization that is created for the purpose of delivering one or more business products according to an agreed upon business case
- **Why Use PRINCE2?**
  - PRINCE2 is a project management methodology
  - Provides us with the best practices to use when managing a project that uses processes
  - Can be combined with other methods like PMP, ITIL, Agile, and others
  - Is a mature and proven methodology
  - Provides us with a common terminology and understanding during a project
- **PRINCE2 and PMP**
  - PRINCE2 focuses of WHAT to do…
  - PMP focuses on HOW to do it…
  - PRINCE2 is a methodology using processes
  - PMP is a standard and a knowledgebase
  - *These certifications are not in competition with each other, they can be used with each other…*
- **Benefits of PRINCE2**
  - Common lexicon for those involved in project
  - Explicit roles assigned for each responsibility
  - Customer focuses by design
  - Provides repeatable processes
  - Delivers on business needs
  - Adaptable and tailorable to the business
- **What It Won't Provide?**
  - Excludes specialized aspects
    - Procurement
    - Legal
    - Financial
    - Human resources
  - Excludes management of people
  - Doesn't focus on techniques or dictate how to do something

The 7 Principles

- PRINCE2 looked at numerous projects during its development and asked two questions:
  - Why did this project succeed?
  - Why did this project fail?

- The answers shaped PRINCE2 because it found the commonality within the projects…

- These best practices have been proven…

- Projects that had the 7 key principles tended to be more successful and less likely to fail…
  - Continued Business Justification
  - Learn from Experience
  - Defined Roles and Responsibilities
  - Manage by Stages
  - Manage by Exception
  - Focus on Products
  - Tailor to the Environment

Continued Business Justification

- **Continued Business Justification**
  - Are the benefits still worth the risks & costs?
  - Project must always remain <u>desirable</u>, viable, and achievable
    - Is there a positive balance of benefits, costs, and risks?

  - Project must always remain desirable, <u>viable</u>, and achievable
    - Does the organization have the capability to deliver the products?
  - Project must always remain desirable, viable, and <u>achievable</u>
    - Will the use of the project's products result in the outcomes and benefits expected?
  - Project must always remain desirable, viable, and achievable
    - If not, the project should be closed
  - Prevents wasting resources on a project that has no benefits
  - Benefits do not have to be monetary
- **Business Case**
  - Product developed to provide justification
    - Business Case is also a theme
  - Initial business case outline developed during the Pre-Project phase to determine if a project should be initiated
  - Fully developed during the Initiation Stage but updated continually throughout the project
- **Do I Need A Business Case?**
  - Even if the project is compulsory (regulatory), you still need a business case to justify the course of action you are choosing to use…
  - Always more than one way to solve problems therefore executives need some choices

- **Business Case Components**
  - Reason for the project
  - Expected benefits and dis-benefits
    - What threshold would project be terminated?
  - Timeline, Cost, and Risks
  - Underlying assumptions
  - Options considered
  - Chosen solution

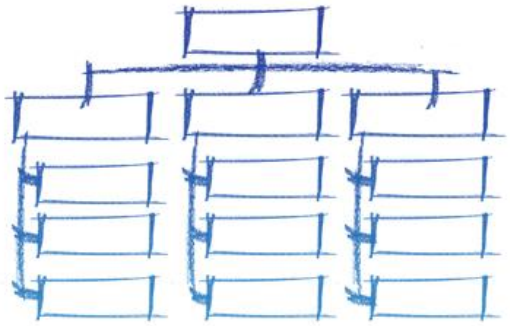
Learn from Experience

- **Learn from Experience**
  - How can we learn from both successes & failures?
  - Everyone makes mistakes, but how can we learn from them?
  - Collect reports of the lessons learned from previous projects
  - Generate reports during the project
- **Whose Responsibility Is It?**
  - **Project managers should identify, document, and disseminate lessons** via lesson reports to the project board
  - Project board should distribute these reports to the organization's other project managers
- **Hindsight is 20-20**
  - Setup a lessons learned log during the Starting Up a Project process
  - Generate lessons reports at the end of each stage
  - Final lessons report created before the Closing a Project process is completed
- **Lessons Learned Are "Testable"**
  - Assurance auditors will ask for evidence that lessons are actually being learned
  - Looking for proof that things are implemented to improve processes and prevent mistakes
  - Lessons Learned ≠ Lessons Observed
- **How to Prevent Mistakes?**
  - Learn from past mistakes to prevent new ones
  - Create a repository of lessons reports
  - Recruit members to your project with similar project experiences…

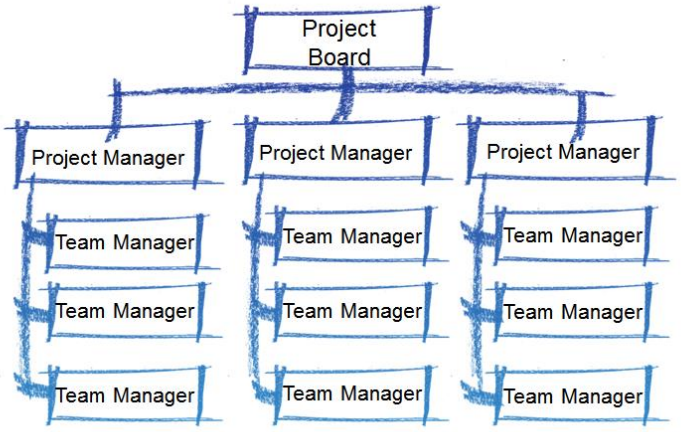
    …there really is no substitute for experience!

Defined Roles and Responsibilities

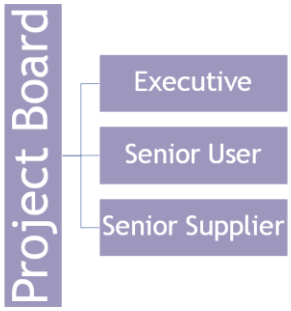
- **Defined Roles and Responsibilities**
  - Does everyone know what is expected of them?
  - Everyone in the project should know exactly what role they will be fulfilling and its associated responsibilities
  - Provide terms of reference and role descriptions for all team members
  - Ensure each team member has the correct level of authority to perform their role
  - Ensure each person has ample time to dedicate to the project
- **Leadership Leads to Success**
  - Should the organizational structure be vertical or horizontal in nature?
  - Teams are cross-functional and everyday organizational structures often won't work



- **Management Levels**
  - PRINCE2 establishes management hierarchy



- **Project Board**



- **Executive**
  - Appointed by Corporate or Program Management
  - Only one person can hold the executive role
  - Acts as the decision maker and the overall responsible role for the project
  - Develops and owns the business case
- **Senior User**
  - One or more people can hold this role
    - Executive can fill the role in small projects
  - Represents the needs of the user who will use the project's products
  - Liaison between the Project Team and Users
  - Supplies benefits information for the Benefits Review Plan
- **Senior Supplier**
  - One or more people can hold this role
    - Executive can fill the role in small projects
  - Represents the interests of those designing, developing, and implementing the project's products
  - Provide supplier resources to the project (people, tools, and expertise)
  - Comes from organization or the supplier themselves
- **Stakeholders**
  - Business, user, and supplier interests are all represented in the Project
  - Board PRINCE2 assumes a customer-supplier relationship
  - Who is the customer?
    - An individual, group, or organization which has a business need (increase profits, cut costs, build a widget, or other needs)

Manage by Stage

- **Manage by Stage**
  - How far out can I plan?
  - Each project should have a high-level plan covering the whole project, but detailed plans will only be added on a stage-by-stage basis
  - Each project should have a high-level plan covering the whole project, but detailed plans will only be added on a stage-by-stage basis
  - It is more accurate to plan by stages
  - Agree to the detail at each stage break
  - How much will it cost?
  - How long will it take?
- **How Many Stages Do You Need?**
  - Minimum of two stages is required
  - Initiation Stage
    - Used to plan the project
  - Delivery Stage (or stages)
    - Used to deliver the project's specialized products
- **Planning Horizon**
  - Plans can be made only to a manageable level of detail based on their timeline
  - PRINCE2 recommends three levels

Project Plan	**(Project Board)**
Stage Plan	**(Project Manager)**
Team Plan (optional)	**(Team Manager)**

- **Initiation Stage**
  - Ensures costs and timescales are considered before a project is started
  - Project Initiation Documentation (PID) is produced in this stage
  - Project Board uses PID to determine the project's viability to continue to next stage
- **End of a Stage**
  - Each stage ends with a Go/No Go decision
  - Should we move forward with the project?
  - Minimizes risk by providing cancellation points
  - Project Board controls the project using the Project Plan and stage boundaries
  - Project Manager updates Project Plan with forecast and actuals from the stage and runs the day-to-day execution of the project

Manage by Exception

- **Manage by Exception**
  - How can we manage this project more efficiently?
  - Only significant deviations from a budget or approved plan are brought to the attention of management
  - Projects are fluid, change is going to happen
  - How will you deal with change?
  - Each project should have tolerances established for each project objective and delegated authorities properly defined
  - Allows project managers to handle more of the issues without having to involve senior managers (and eliminating meetings)
- **Highlight Report**
  - Keeps the Project Board informed about the progress of the project
  - If tolerance of a stage is forecast to be exceeded, then an *exception report* is sent to the Project Board
- **Project Objectives**

Time

Cost

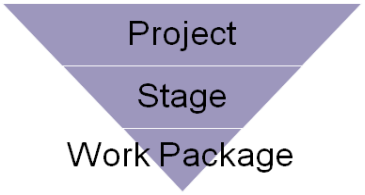
Quality

Scope

Benefits

Risk

- **Tolerances**



- Project level
  - Set and approved by the Corporate or Program Management when they approve the Project Plan
- Stage level
  - Recommended by Project Manager
  - Set and approved by the
  - Project Board when it approves the Stage Plan
- Work Package level
  - Set and Approved by the Project Manager when they approve the Team Plan

- **Benefits of Management by Exception**
  - Allows senior management to focus on strategy without getting overburdened with daily decisions of the project
  - Efficient use of senior management's time
  - There are no regular progress meetings are held between the Project Board and Project Manager

Focus on Products

- **Focus on Products**
  - Are we delivering the required quality?
  - Successfully delivered products lead to the project's benefits being realized
    - Stakeholder's expectations are met
    - Agreed upon quality is achieved
    - Is the product fit for purpose?
- **Product-based Planning**
  - Other management methods like PMP focus on activity planning (how to do things)
  - PRINCE2 focuses on what to do
    - It first identifies what products need to be created
    - Reduces risk of scope creep
    - Reduces likelihood of user acceptance disputes
    - Reduces likelihood of user dissatisfaction
- **Product Descriptions**
  - Delineate exactly what the project will deliver
  - Contains:
    - Purpose
    - Composition
    - Specifications
    - Quality criteria
    - Tolerance levels
    - Acceptance criteria
  - Helps the product team to estimate resources, time, cost, and activities required to get the product to its final delivery and acceptance

Tailor to Suit the Project Environment

- **Tailor to Suit the Project Environment**
  - How can PRINCE2 be adapted based on the size, scope, and complexity of the project?
  - PRINCE2 is highly adaptable specifically to each and every project
  - Project occurs in different contexts
    - Culturally
    - Geographically
    - Complexity
    - Scale
    - Risk
  - **How Do I Adapt PRINCE2?**
    - Project Board meetings are not required under PRINCE2 since the highlight report replaces them…

      …but many organizations still want to regularly have progress meetings

    - Would be considered tailoring of PRINCE2

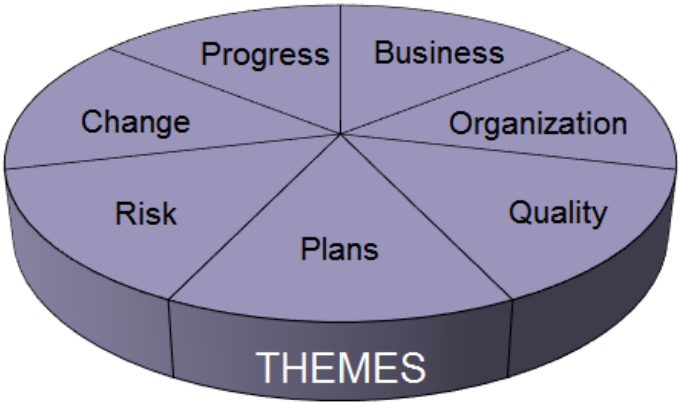
- **What Do I Do If My Organization Tailors PRINCE2?**
  - Any changes should be documented in your Project Initiation Documentation (PID)
  - This provides an audit trail and evidence you are compliant with PRINCE2 and your organizational standards
- **What If My Project Is Really Small?**
  - You should still go through every theme and process in PRINCE2
  - Otherwise, you may end up being PRINCE2 in name only
  - Each theme or process could be sped up and scaled down, but should still be considered
- **Can I Change What Things Are Called?**
  - Terminology can be difficult and confusing
  - Do I have to use the PRINCE2 term?
  - No, you can always use your own organizational terms for things
    - Project Product Description is also known as a Requirements Document in many places
    - Keep your terms consistent throughout
    - Provide a glossary of terms
  - **Each Piece of PRINCE2 Is Important**
    - No part of the methodology should be ignored

- Address all 7 themes
  - Business Case
  - Organization
  - Quality
  - Plans
  - Risk
  - Change
  - Progress
- Adapting PRINCE2 is a good thing
  …focus on decisions being made by managers
  …not on documents, templates, and meetings

- **Can I Add More Themes During Tailoring?**
  - PRINCE2 only includes 7 Themes, but you can add more if your project requires
    - Human Resources
    - Communications
    - Legal
    - Financial
    - Health and Safety

The 7 Themes

- **What Are Themes?**
  - Areas of project management that must be addresses continuously throughout the project
  - Themes are based upon the 7 principles
  - Themes are applied by using the 7 processes
- **The 7 Themes**



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

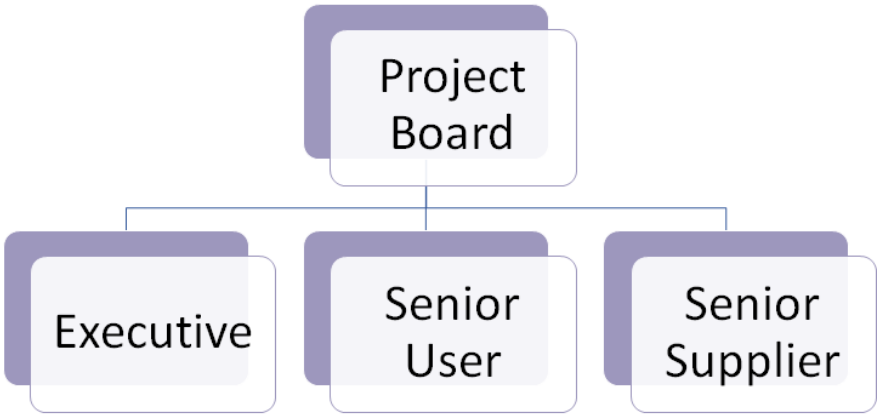
Business Case

- **Business Case**
  - Puts systems into place to assist the decision maker in determining if a project is a worthwhile investment
  - Implements *Continued Business Justification* principle
- **How Many Business Cases?**
  - Both the customer and the supplier should have their own business case
  - Customer specifies the products required for the project, pays for the project, and expects benefits to be realized from the project
  - Supplier is a person, team, or organization that will deliver those products to the agreed upon level of quality
- **The Business Case**
  - Document is owned by the executive
  - One of the PRINCE2 management products
  - An acceptable business case must exist at all times otherwise the executive should order the termination of the project
  - Use a sunk cost analysis when determining the continuation of a project
- **First Draft (Outline) Of A Business Case**
  - Executive provides the initial business case
    - Sometimes Corporate/Program Management will provide the outline as a part of the Project Brief
  - Initial business case is updated with additional levels of detail in Initiation Stage of the project
  - Business case is updated at each Stage Boundary
- **Specialist Products**
  - Outputs that will be used at the end of the project by users in the customer's organization
  - Products should positively change the way these users conduct their *business as usual work*
  - This change is called an *outcome* and the measurable improvements are called *benefits*
- **Benefits Example**
  - Building a travel approval system
- **Benefits**
  - Senior user role is responsible for specifying the benefits and ensuring they are realized
  - Senior user should come from the area of the customers organization that will be most likely to be impacted by the changes

- **Benefits Management Approach**
  - One of the PRINCE2 management products
  - Documents how the benefits will be measured, when, and by who
  - Updated when benefits are realized
    - Most often after the project is closed
- **PRINCE2 Minimum Requirements**
  - Define roles and responsibilities for business case and benefits management approach
  - Business case is created and maintained
  - Benefits Management Approach is created and maintained

Organization

- **Organization**
  - Define and setup project management team structures and dictates the accountability and responsibility for project
  - Implements *Defined Roles and Responsibility* principle
- **Customer/Supplier Environment**
  - Customer
    - Specifies the result of the project (the product)
    - Pays for the project
    - Realizes the benefits from the project
  - Supplier
    - Person, team, or organization that supplies the product requested by the customer
  - If the work is conducted by your own organization, the customer and the supplier are part of the same organization
    - For example, web development team builds a website to support the needs of Sales/Marketing
- **Key Decision Makers**



  - Executive makes the decisions but is advised by the Senior User and Senior Supplier

    …the project board is not a democracy

  - Role is only performed by one person and represent the business (customer) who is paying for the project

…responsible for project's success

- Role that specifies and realizes the benefits

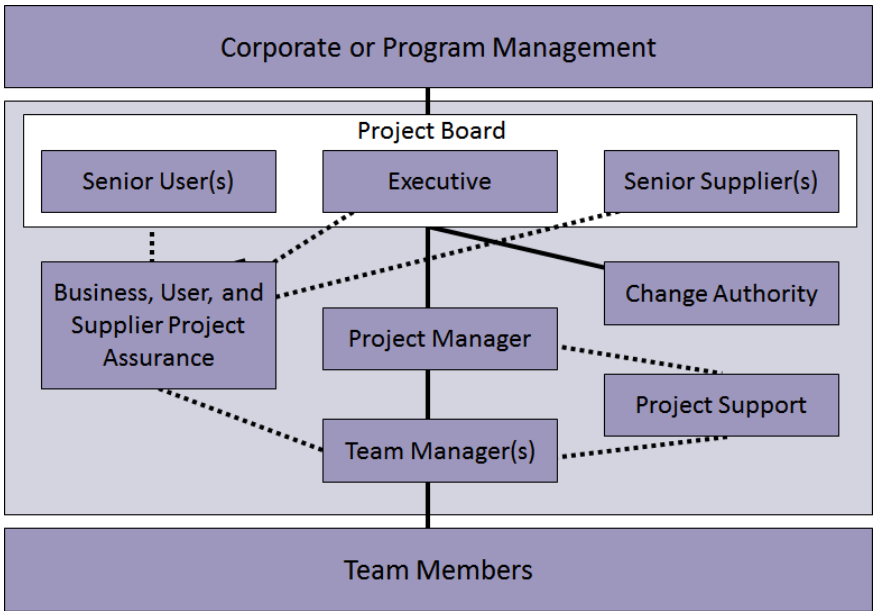
  …responsible for ensuring the project meets all the requirements and products

- Accountable for bringing the required skill and resources to the project

  …responsible for project's quality

- **Project Assurance**
  - Role used to assure the Project Board that the project is being conducted properly
  - This role cannot be held by the project manager, but could be held by the Project Board members or delegated downward
  - Gives advice to project manager and reviews documents prior to approval by Project Board
- **Project Manager**
  - Responsible for the day-to-day project management activities and reports the progress to the Project Board
- **Team Manager**
  - Manages teams of specialists who have the required skills to enable the design and production of a product specified by customer
  - Responsible for delivering products on time and within the tolerances
  - Report periodically to project manager
- **Change Authority**
  - Responsible for making decisions about Request for Change (RFCs) and off-specification requests
  - We will cover these inside the Change theme
- **Project Support**
  - Assists the Project Manager and Team Managers with administration, report generation, progress monitoring, and other necessary tasks
  - Optional role, if not use, then managers do these functions themselves
- **Sharing and Combining Roles**
  - All roles can have more than one person assigned (except the Executive)
  - Some roles can be combined
  - One person has multiple roles
  - Project assurance cannot be combined with Project Manager, Team Manager, or Project Support roles

- **Stakeholders**
  - Anyone with an interest in the project outcome
  - All roles are considered stakeholders, but so are people who don't have defined roles
    - End users of the product
    - Other departments within the organization
- **Communication Management Approach**
  - How will you communicate with stakeholders?
    - Identify their information needs
    - The method to use for communication
    - Frequency for communication
  - Example
    - Project Board might require a monthly highlight report written by the Project Manager
- **Organization Theme**



- **PRINCE2 Minimum Requirements**
  - Defined organizational structure
  - Defined roles and responsibilities
    - Include the Role Descriptions
  - Produce the Project Initiation Documentation (PID) and Communication Management Approach

Quality

- **Quality**
  - Define and implement the mechanisms in the project to determine if the products are "fit for purpose"
    - Does the product meet agreed upon requirements?
- **Acceptance Criteria**
  - Measurable definitions of the attributes of a set of products that makes them acceptable to key stakeholders
    - Agreed upon before the project begins
  - Most customer requirements are vague
    - I want it faster, cheaper, more user friendly
  - Document the Acceptance Criteria in the project's high-level requirements document
  - Describes in measurable terms what the product must deliver to be satisfactory
- **Quality Management Approach**
  - Documents the method of quality control that will be used in the project
    - Project Manager is responsible for quality planning
    - Documented in the Quality Register
  - Organizational Quality Management System (QMS) contains a set of quality policies, procedures, and standards expected within the organization
    - Quality Assurance is an organizational role that defines and maintains the QMS and ensures projects are in compliance with it through quality audits
- **Quality Assurance Versus Project Assurance**
  - Quality Assurance role
  - External to the project
  - Assures corporate management that the project complies with corporate standards, policies, and procedures
  - Project Assurance role
    - Internal to the project
    - Assures the Project Board that the project is being conducted properly
- **Quality Assurance Versus Quality Control**
  - Quality Assurance
    - Focused on how the processes work
  - Quality Control
    - Focused on verifying if a product is fit for purpose
    - Maintains the quality and approval records
    - Gaining acceptance of the product

- **Quality Records**
  - Contain the details of the results of a test
  - Product is judged fit for purpose based on these
  - If fit for purpose, the product is approved and an approval record is created
  - Approval record could be formal or informal
    - Printed form with a signature (formal)
    - Email stating approval (informal)
- **Baseline**
  - An approved product becomes the baseline
    - Version 1.0
  - At this point, the baseline is now subject to version control through
  - change control
  - Users submit a Request for Change (RFC) in order to make any alterations to the baseline
- **What If the Quality Isn't Met?**
  - If a product is not fit for purpose, then the supplier must continue to refine the product to raise its quality to meet the standard
  - Product is not accepted until it meets the agreed upon level of quality
  - If required level of quality cannot be achieved, the project could be terminated early
- **Acceptance Records**
  - Record the formal acceptance of the final product by different stakeholders
  - Acceptance methods should be determined before the project begins and be documented inside of the Quality Management Approach
- **PRINCE2 Minimum Requirements**
  - Defined Quality Management Approach covering quality control and project assurance
  - Defined roles and responsibilities
  - Create Quality Records and a Quality Register
  - Customer quality expectations and acceptance criteria defined in product descriptions
  - Lessons incorporated into quality planning

Plans

- **Plans**
  - Facilitates communication and control by defining the means of delivering the products
  - Define how, when, for how much, by whom, and where the project will deliver its product
- **3 Levels of Plans**
  - Project Plan (Used by the Project Board)
    - Contains project level costs, timescales, and control points
    - Updated at the end of each stage to reflect actual progress and revised forecasts
  - Stage Plan (Used by the Project Manager)
    - Used for day-to-day management of the project
    - Only one per project stage
  - Team Plan (Used by the Team Manager)
    - Covers the work to be done by a team
    - Can have multiple team plans or work packages
- **An Exception Plan**
  - New plan created to replace a Stage Plan or Project Plan to overcome an issue
  - This is not an updated version of an existing plan
  - Corporate or Program Management must approve one that replaces the Project Plan
  - Project Board can approve one that replaces the Stage Plan
- **Budget Planning**
  - Always plan for and consider…
    - Product and Management Funding
      - Activities to create specialist products and management
    - Change Budget
      - Activities for authorized changes to baseline products
    - Risk Budget
      - Activities needed to respond to risks
    - Cost Tolerance
      - Cost overruns within a certain tolerance
- **Product-based Planning**
  - Writing a project product description
    - Define what the project must deliver
  - Creating a product breakdown structure
    - Show products that are within the scope
  - Writing product descriptions

        - Written requirements for each major product
    - Creating a product flow diagram
        - Define the sequence of events in which products will be developed
- **Planning for Stages**
    - Determine how long each stage should be
    - Determine how many stages there should be
        1. How far out can you plan (planning horizon)?
        2. How many delivery steps will there be?
        3. How does it align with other program activities?
        4. What level of risk is there?
- **PRINCE2 Minimum Requirements**
    - Plans enable the business case to be realized
    - Produce a project plan, stage plan, and team plan (work packages) for each stage
    - Produce exception plans (when required)
    - Create a project product description, product descriptions, and product breakdown structure
    - Define roles and responsibilities for planning

Risk

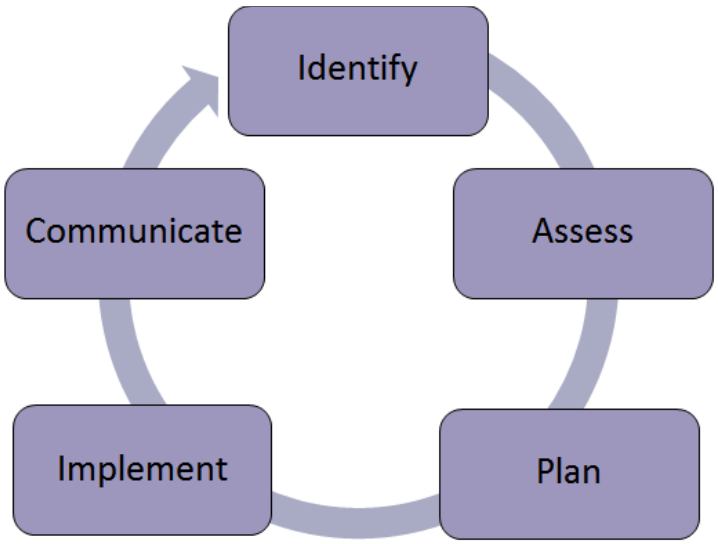
- **Risk**
  - To identify, assess, and control uncertainty and improve the ability of the project to be successful
- **What Is Risk?**
  - An uncertain event which will have an effect on the project's objectives

    …the event may or may not occur

    …the effect could be positive or negative

- **Risk Is Not A Project Issue…**
  - Project Issue
    - An event which has happened but wasn't planned
  - Risk
    - An uncertain event which will have an effect on the project's objectives
    - When a risk occurs, it could become a project issue
- **Realizing Risk**
  - Threat
    - Risk realized with negative impact
  - Opportunities
    - Risk realized with positive impact
- **Risk Budget**
  - Money that is used to fund any risk responses
  - How much risk are you willing to accept?
    - Measured by your organization's Risk Appetite
  - Risk tolerance is the threshold that must not be exceeded without an exception occurring
- **Risk Management Approach**
  - Written outline of risk management approach
  - Risk Register
    - Documentation of all risks in a project
    - Used by the Project Manager to capture all risks

- **Risk Management Procedure**



  - Identify
    - Threats and Opportunities are identified and described in terms of the cause (its source), event (the area of uncertainty), and effect (its impact)
  - Assess
    - Estimate the probability (likelihood), impact, proximity (when is it likely to occur), and evaluate the overall net effect of ALL risks
  - Plan
    - Planning occurs for one or more specific risk responses
  - Implement
    - Take action in response to the chosen risk and assign a risk owner (person responsible for managing the risk) and the risk actionee(s) who will carry out the risk response
  - Communicate
    - Report the status of the risk to the stakeholders using other PRINCE2 reports (as appropriate), such as Highlight or Exception reports
- **Risk Responses**
  - After addressing the primary risk, there is also some residual risk leftover that should receive a risk response, too.

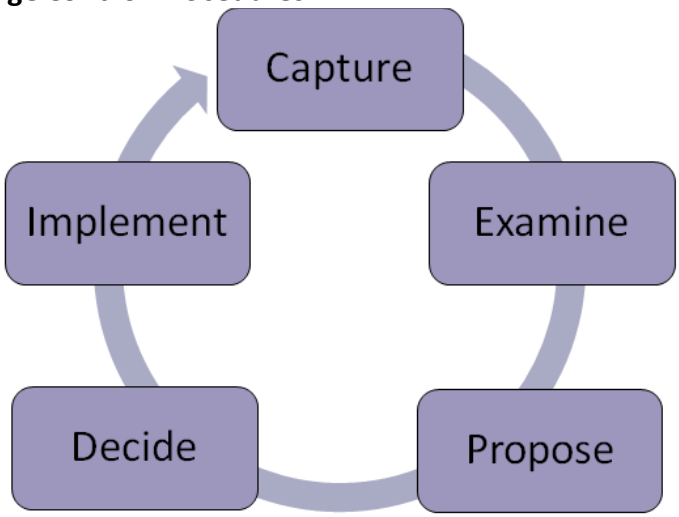
Threats	Opportunities
Avoid	Exploit
Reduce	Enhance
Accept	Reject
Transfer	Transfer
Share	Share
Prepare Contingency Plans	Prepare Contingency Plans

- **PRINCE2 Minimum Requirements**
  - Define a Risk Management Approach describing risk management procedures used
  - Maintain a risk register to record/manage risks
  - Identify, assess, manage, and review risks throughout the project
  - Define roles and responsibilities for risk management
  - Use lessons learned to inform risk decisions

Change

- **Change**
  - To identify, assess, and control any potential and approved changes to the project baseline
- **Baseline**
  - Only for products that have been approved by those in authority and deemed fit for purpose
  - Product has been given a version number
- **Project Issue**
  - Event that has happened and wasn't planned
  - Requires management action to overcome
    - Request for Change (RFC)
      - Request a change to the baseline
    - Off-specifications
      - Product requirements cannot be met
    - Problems or Concerns
      - Anything outside of an RFC or off-specification
  - If the project issue will exceed a tolerance, then an exception is created
- **Resolution of Project Issues**
  - Formal
    - Requires formal advice from the Project Board
    - Project Issue is logged in the issue register
    - Issue Report is written by the Project Manager
  - Informal
    - Issue is recorded in the Daily Log
    - Daily log is used by Project Manager to track issues that can be solved at their own level
- **Change Control Approach**
  - Documentation of how a project will manage issues and changes
  - Issue and Change Control Procedures provide the detailed steps to be utilized

- **Issue and Change Control Procedures**



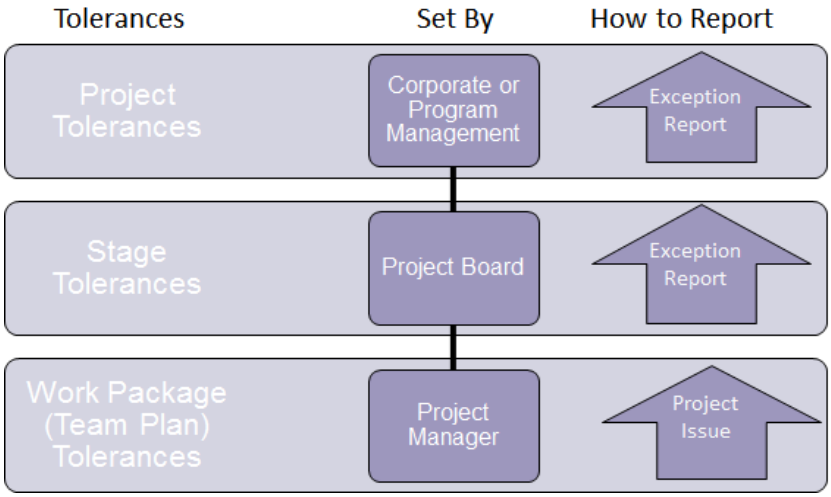
  - Capture
    - Record the issue in either the daily log (informal) or issue register (formal)
  - Examine
    - Perform an impact analysis to determine the impact on cost, time, quality, scope, benefits, or risk
  - Propose
    - Consider the alternative options for responding to the project issue
  - Decide
    - Determine the best option for the best overall value for the money
  - Implement
    - Perform the recommended option(s) to solve the project issue
- **Approval for Changes**
  - Change Authority
    - Reviews and approves RFC's and Off-specifications
    - Performed by the Project Board by default
    - Role can be delegated
  - Change Budget
    - Special budget set aside
    - to fund approved changes
- **Configuration Management**
  - The project needs to be able to identify different versions of its product or products
  - Configuration Item Record
    - Record with status and version of a given product

- Product Status Account
  - Report containing the status of one or more products
  - Useful for Project Manager to determine if a product was approved or is still undergoing its quality methods

- **PRINCE2 Minimum Requirements**
  - Define a Change Control Approach describing issue and change control procedures used
  - Maintain an issue register (formally) or daily log (informally) to record/manage project issues
  - Define roles and responsibilities for change management
  - Use lessons learned to inform change decisions

Progress

- **Progress**
  - To establish mechanisms to monitor and compare actual achievements against those planned, provide a forecast for the project objectives and the project's continued viability, and to control any unacceptable deviations
- **Effective Progress Controls**
  - Delegate authority from one level of management downwards to the next
  - Divide the project into stages and authorize them one at a time
  - Time-driven or event-driven progress reports and reviews
  - Raise exceptions
    - Project controls should be documented in the Project Initiation Document (PID)
- **Tolerances Are Important Controls**
  - Permissible deviation from the plan before bringing it to the attention of a higher authority



- **Two Types of Progress Controls**
  - Time-Driven Controls
    - Monitoring and reporting are often time-driven
    - Occur at the agreed upon frequency
      Example: Highlight report submitted every two weeks
  - Event-Driven Controls
    - Controlling a project is often event-driven
    - Occur when a specific thing happens
      Example: When an exception or issue report is received

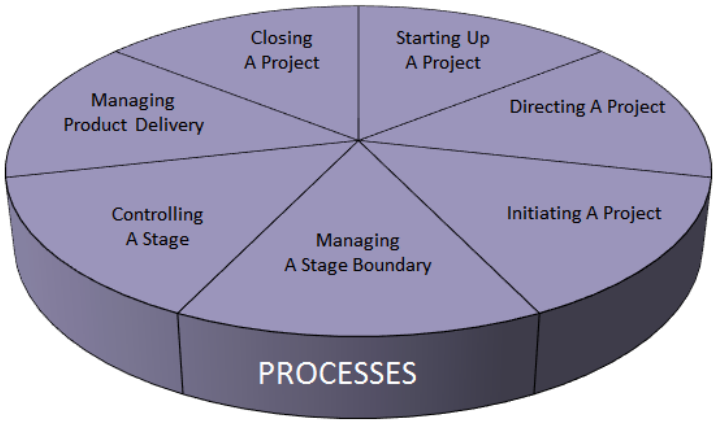
- **Progress Theme Documents**
  - Work Package
    - Work begins when authorized by project manager
  - Lessons Log
    - Lessons added when learned during a review
  - Lessons Report
    - Collects lessons and aids future forecast accuracy
  - End Stage Report
    - Conducted at the end of the stage to assess project's viability to continue
  - End Project Report
    - Conducted at the end of the project to evaluate the project and authorize the project's closure
- **Controls Used by The Project Manager**
  - To create baselines
    - Project plan, Stage plan, Exception plan, and Work package
  - To review the progress
    - Issue register, Risk register, Quality register, Product status account, and Daily log
  - To capture and report lessons
    - Lessons log and Lessons report
  - To report progress
    - Checkpoint report, Highlight report, End stage report, and End project report
- **PRINCE2 Minimum Requirements**
  - Define project's approach to control progress
  - Create the Project Initiation Document (PID)
  - Manage by stages and manage by exception by using tolerances
  - Review the business case when exceptions are raised
  - Learn from previous lessons in the project

The 7 Processes

- Describes which role from the project management team is responsible for making decisions and when decisions should be made

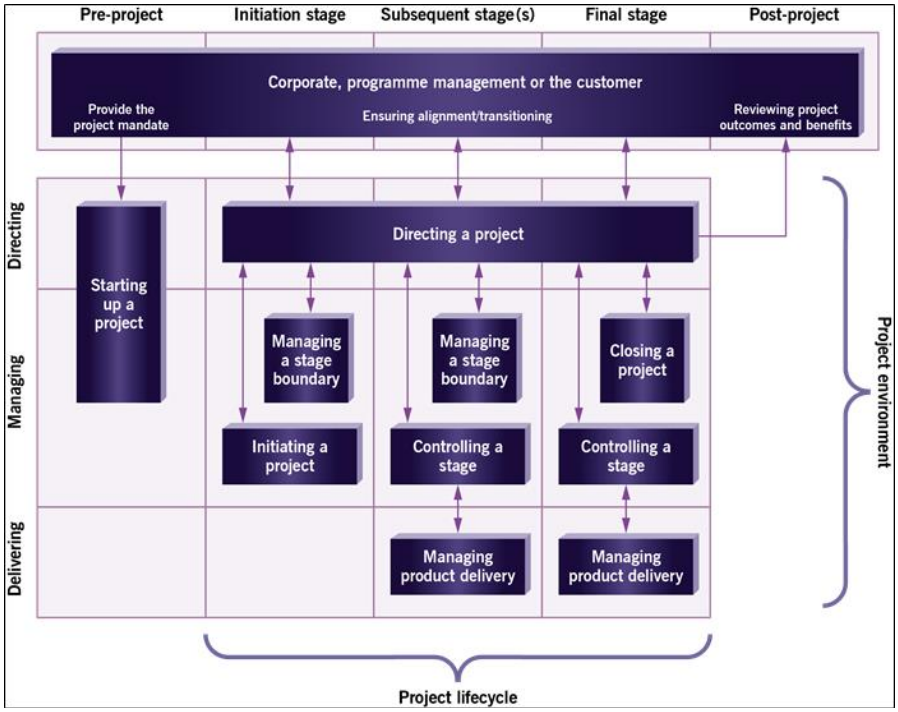
  …the application of the Principles and Themes

- **The 7 Processes**



  - Starting Up A Project
  - Directing A Project
  - Initiating A Project
  - Managing A Stage Boundary
  - Controlling A Stage
  - Managing Product Delivery
  - Closing A Project

- **Process Timeline**



Starting Up A Project

- **Starting Up A Project**
  - To ensure that the prerequisites for initiating a project are in place by answering the question:

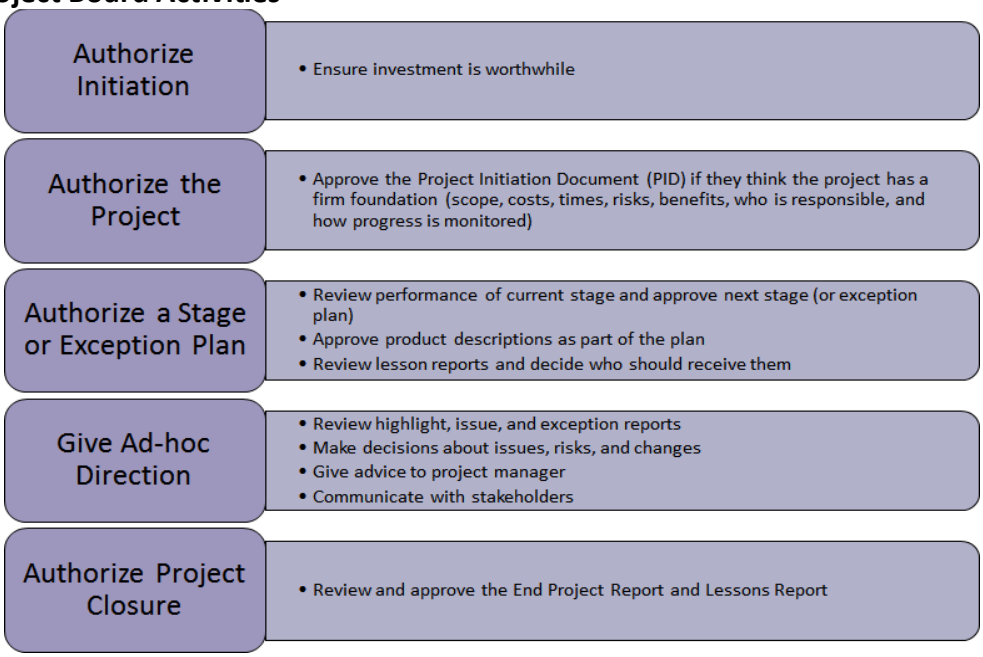
    "Do we have a viable and worthwhile project?"

- **Objectives of Starting Up A Project**
  - Appoint those to work during initiation stage
  - Appoint significant project management roles
  - Create initiation stage plan
  - Ensure initiation stage is based on sound assumptions
    - Scope
    - Timescale
    - Acceptance criteria
    - Constraints
- **The Goal**
  - Starting Up A Project occurs in the pre-project timeline in order to filter out the large amount of ideas into the ONE viable project idea
  - We only want to initiate a project that might be successful and discard the rest before time, money, and resources are wasted
- **Project Mandate**
  - Trigger for the project
  - Comes from the customer organization
    - Corporate, Program Management, or a Customer
  - Provides the reason for undertaking the project and identifies the proposed executive
- **Requirements**
  - Key roles and responsibilities for performing the initiation stage work are identified
  - Resources are allocated
  - Writer of Business Case and Project Plan are identified
- **Business Case**
  - Explains how the project fits into customer's objectives and how it will be funded
    - Executive is responsible for securing the funding
  - Executive is responsible for the outline
- **Outputs of This Stage**
  - Project Brief
    - Ensures the project has agreed upon and well-defined starting point

- Initiation Stage Plan
  - Covers all the work to be done in initiation stage
  - Project manager reviews lessons log for project controls to be used during initiation

Directing A Project

- **Directing A Project**
  - To enable the project board to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the project manager
- **Objectives of Directing A Project**
  - Provide authority to initiate the project, deliver the project's products, and close the project
  - Provide management direction and control throughout the project's life
  - Ensure the project remains viable
  - Provide corporate, program management, or the customer an interface to the project
  - Manage and review the post-project benefits
- **Triggering the Directing A Project Process**
  - Begins once the Starting Up A Project process is completed and request to initiate is received
  - Project Board is responsible for ensuring a business justification continues to exist
  - Utilizes 'manage by exception' to direct the progress and allow the project manager to lead the day-to-day management
- **Project Board Activities**



Initiating A Project

- **Initiating A Project**
  - To establish solid foundations for the project and to enable the organization to understand the work that needs to be done to deliver the project's products before committing to a significant spend
- **Objectives of Initiating A Project**
  - Identify the reasons, timescales, costs, scope, major products, expected benefits, and risks
  - Identify quality requirements and standards
  - Identify how baseline products will be controlled
  - Identify the communication needs of stakeholders
- **Project Initiation Document (PID) Contains…**
  - Project plan
  - Detailed business case
  - Communication management approach
  - Risk management approach
  - Quality management approach
  - Change control approach
  - Project controls
  - Any PRINCE2 tailoring you are doing
- **Outputs from Initiating A Project**
  - Project Initiation Document (PID)
  - Benefits Management Approach
    - Describes how the benefits are measured, how often, and by whom
    - Updated at the end of the project and remains an active document during the product's operational lifecycle
    - Turned over to the corporate, program management, or customer at project closure

Managing A Stage Boundary

- **Managing A Stage Boundary**
  - 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
- **Objectives of Managing A Stage Boundary**
  - Assure the project board that all products in the current stage are completed/approved
  - Prepare the next stage plan
  - Review and update the PID
  - Provide Project Board the information needed to verify continuing viability of the project
  - Record any lessons or information that can help during later stages of this projects or future projects
  - Request authorization to begin the next stage
  - Prepare an exception plan (if needed) and seek approval to replace the project plan or stage plan with the exception plan
- **End Stage Assessment**
  - Near the end of a stage the Project Manager begins Managing a Stage Boundary process
  - Project Manager meets with the Project Board to conduct this assessment
  - Business Case and Project Plan are updated prior to this meeting
  - Project Manager presents the information for Project Board to make an informed decision on if the project is still viable and should continue into the next stage
- **Lessons Report**
  - Report written to identify any lessons identified during the stage that might prevent issues in a later stage or another project
  - The lessons should be incorporated into the next stage plan or exception plan (if needed)
  - Revisions of quality, risk, or issue management may be required

Controlling A Stage

- **Controlling A Stage**
  - To assign work to be done, monitor such work, deal with issues, report progress to the project board, and take corrective actions to ensure that the stage remains within tolerance
- **Objectives of Controlling A Stage**
  - Ensure that project management team is focused on delivery within tolerances
  - Ensure risks and issues are kept under control
  - Ensure business case is under review
  - Ensure agreed upon products are delivered within cost, effort, and time constraints
  - Ensure progress is report to project board

    …and exceptions are escalated to them

- **Controlling A Stage**
  - Conduct the day-to-day management of a given project by the project manager
  - This process is begun when the project board approves the project in the initiation stage, and each time a new stage is approved
  - Focus on product delivery for stage's products
    - Any deviations must be agreed upon before the stage begins
  - Project manager assigns work packages to team managers to get products delivered
- **Reporting**
  - Team managers send up checkpoint reports to the project manager with their work status
  - Project managers collect the progress from these reports to create their highlight report
  - Using checkpoint reports, the Project Manager monitors for schedule slippages or cost overruns
    - If one is forecast, an exception report is submitted up to the Project Board
- **Stage Plans**
  - Updated during the process with the actual progress from the stage and the forecast for the remainder of the stage
  - Project plans and business cases are not updated continuously during this process
    - Instead they are updated at the end of the stage

Managing Product Delivery

- **Managing Product Delivery**
  - 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
- **Objectives of Managing Product Delivery**
  - Ensure work on products is allocated to teams
    - Project Manager also authorizes this work
  - Ensure team managers and suppliers are clear as to what is expected in terms of cost, time, and effort for a given product
  - Ensure products are delivered within tolerance
  - Ensure accurate progress information is provided to the Project Manager at agreed upon frequency
- **What If My Supplier Doesn't Use PRINCE2?**
  - PRINCE2 is used by project management professionals and often not by suppliers
  - Managing Product Delivery acts as the interface between PRINCE2 and the supplier
  - Work packages serve as this interface and work should only begin once authorized by the Project Manager
- **Work Packages**
  - Provides team manager the tolerances required for the product delivery
    - Set by the Project Manager
  - Team manager may be required to make a team plan which is authorized by the Project Manager and/or the Senior Supplier
    - Senior Suppliers handles this for outside vendors and contracts usually
- **Checkpoint Reports**
  - Provided by the team manager to the Project Manager with accurate progress information
  - Similar to a highlight report but at a lower level
  - Team managers should raise a project issue to the Project Manager if a work package or team plan tolerance is forecasted to be exceeded
    - Team manager do not write exception reports

Closing A Project

- **Closing A Project**
  - To provide a fixed point at which acceptance for the project product is confirmed, and to recognize that objectives set out in the original project initiation documentation have been achieved, …or that the project has nothing more to contribute
    - It's a process and not a separate stage
- **Objectives of Closing A Project**
  - Ensures there is a clear end to a project
  - Ensures transition of the product to the customer occurs and is accepted
  - Ensure project management resources can be released (Project Manager and Project Board)
  - Ensures no more costs are incurred by project
- **Follow-On Recommendations**
  - Outstanding items that were never completed
  - Changes that weren't implemented
  - Risks that may still affect operations

(Part of the End Project Report)

- **Draft Project Closure Notice**
  - Project Manager prepares it and send it to the Project Board for their approval
  - The Directing A Project process will be used to determine if it is approved
  - When project closure is authorized, all management projects should be securely archived to be available for a future audit
- **End State of Project Closure**
  - The products are transferred to the customer
  - The project management team returns to their normal roles or begin a new project
  - Benefits of the project have been realized
  - Lessons are documented for future projects

Conclusion

- **7 Principles**
  - Building blocks for the PRINCE2 methodology
    - Continued Business Justification
    - Learn from Experience
    - Defined Roles and Responsibilities
    - Manage by Stages
    - Manage by Exception
    - Focus on Products
    - Tailor to the Environment
- **7 Themes**
  - Project management areas to be continually addressed during the project
    - Business Case
    - Organization
    - Quality
    - Plans
    - Risk
    - Change
    - Progress
- **7 Processes**
  - Describes the who, what, and when of the project
    - Starting Up a Project
    - Initiating a Project
    - Directing a Project
    - Controlling a Stage
    - Managing Product Delivery
    - Managing a Stage Boundary
    - Closing a Project
- **Where Do I Go from Here?**
  - Take the practice exams
    - 2 full-length in this course
    - 6 full-length available in my Practice Exam course
    - 480 total questions (120 + 360)
  - Go to DionTraining.com to buy your exam voucher at a discount
  - Go to PeopleCert.org to schedule your exam online using the voucher