



# An introduction to PRINCE2®

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(version 2.0)

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*Project Management training for the real world!*

  
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# The PRINCE2® Certification Levels

- There are two levels of certifications for PRINCE2:
- PRINCE2 Foundation (usually taken after 3 training days)
  - Course
    - Focus on principles, processes, themes and how to apply them
    - Focus on learning PRINCE2
  - Exam
    - 1 hour
    - 75 multiple choice questions
    - 50% pass rate
- PRINCE2 Practitioner (usually taken after an additional 2 training days)
  - Course
    - Focus on processes & how to run a project from A to Z
    - Focus on practicing and tailoring PRINCE2
    - More techniques, add-ons, etc.
  - Exam
    - 2.5 hours
    - Case Study of approx 10 pages
    - 108 multiple choice questions, covering
    - 9 out of 10 syllabus areas
    - 55% pass rate

**Practitioner Recertification**

- Required after max of 5 years
- 1 hour exam can be taken after 3 years-5 years

**Note**

- PRINCE2 Certification is not valid after 5 years

# The PRINCE2 Elements

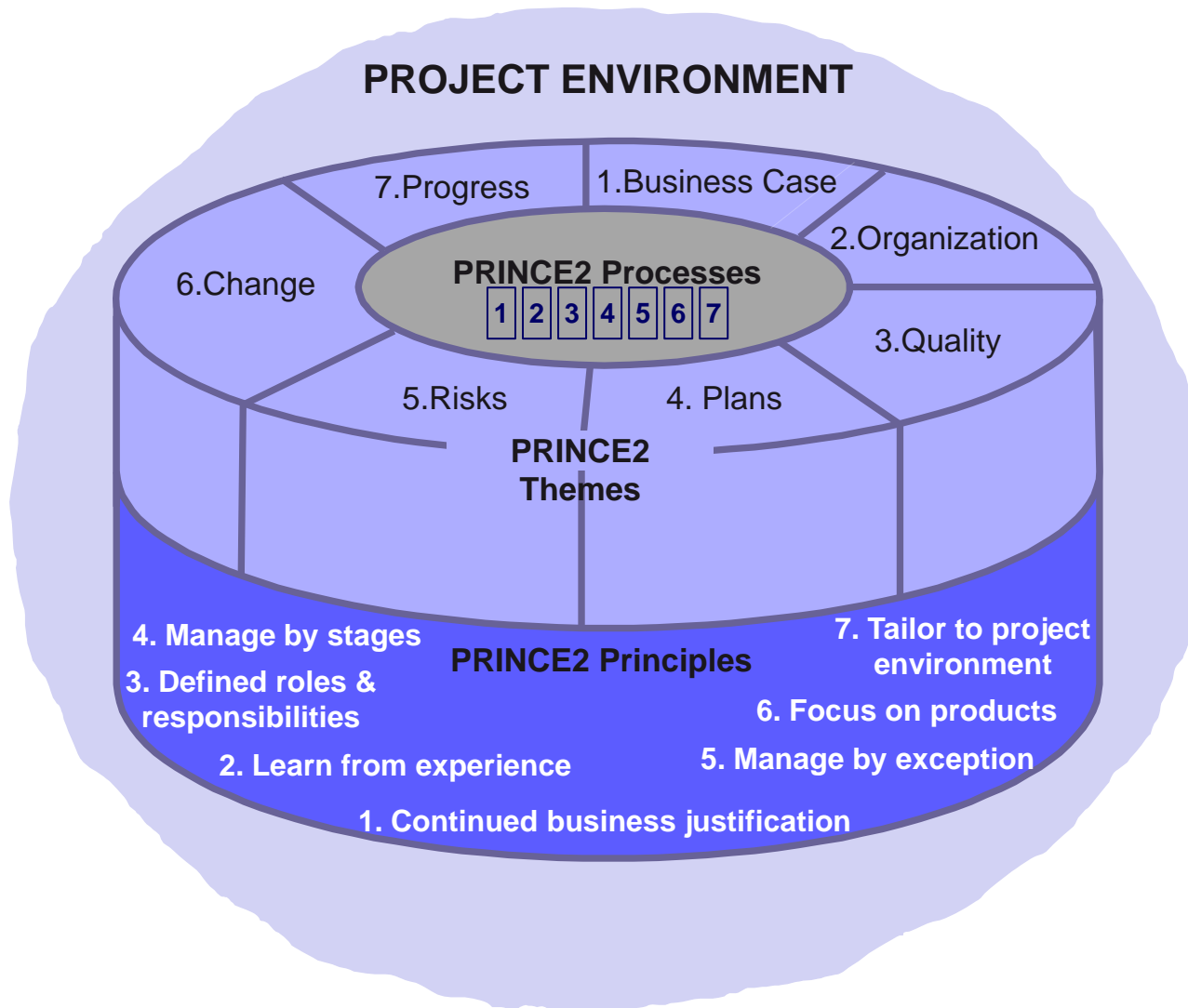
- **PRINCE2 consists of the following 4 elements:**
- **Principles (7)**
  - These are the "core values" on which PRINCE2 is built.
- **Themes (7)**
  - Themes are guides that help us in various processes during a PRINCE2 project life-cycle. Themes do not map to processes on a 1 to 1 mapping. Some Themes are heavily used in certain processes, while others may be needed more lightly throughout many processes.
- **Processes (7)**
  - Processes help guide us through the PRINCE2 life-cycle in a specific order, with multiple activities within any one process.
- **Tailoring**
  - Tailoring is fundamental to the successful application of PRINCE2 – we should not apply textbook theory to projects, but should think carefully about tailoring the method to the specific environment and project type we are dealing with.

# What PRINCE2 does NOT provide:

1. Specialist aspects **x**
2. Detailed techniques **x**
3. Leadership capability **x**
4. Motivational skills **x**
5. Interpersonal skills **x**

# The structure of PRINCE2

7 Principles, 7 Themes, 7 Processes



## The 4 integrated elements of PRINCE2:

- 1. Principles**
- 2. Themes**
- 3. Processes**
- 4. Tailoring of PRINCE2**

# The 7 Principles (or "core values")

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

**PRINCE2 was recently refreshed with the help of 200+ organizations and individual contributions.**

**At a high level, projects can be PRINCE2 compliant if they apply these principles**

**We can refer to these principles to understand why PRINCE2 is built the way it is**

# The 7 Themes (or guides)

1. Organization
2. Business Case
3. Quality
4. Plans
5. Progress
6. Risk
7. Change

**These guides will help us undertake many activities recommended by the PRINCE2 method.**

**For example, we will use Quality concepts and best practice when documenting our main deliverable (called the Project Product Description in PRINCE2 terms). This is done in the Start-up (SU) Process.**

**We also then use Quality concepts and best practice when we are planning the overall quality strategy in the Initiating a Project (IP) Process.**

**Etc..**

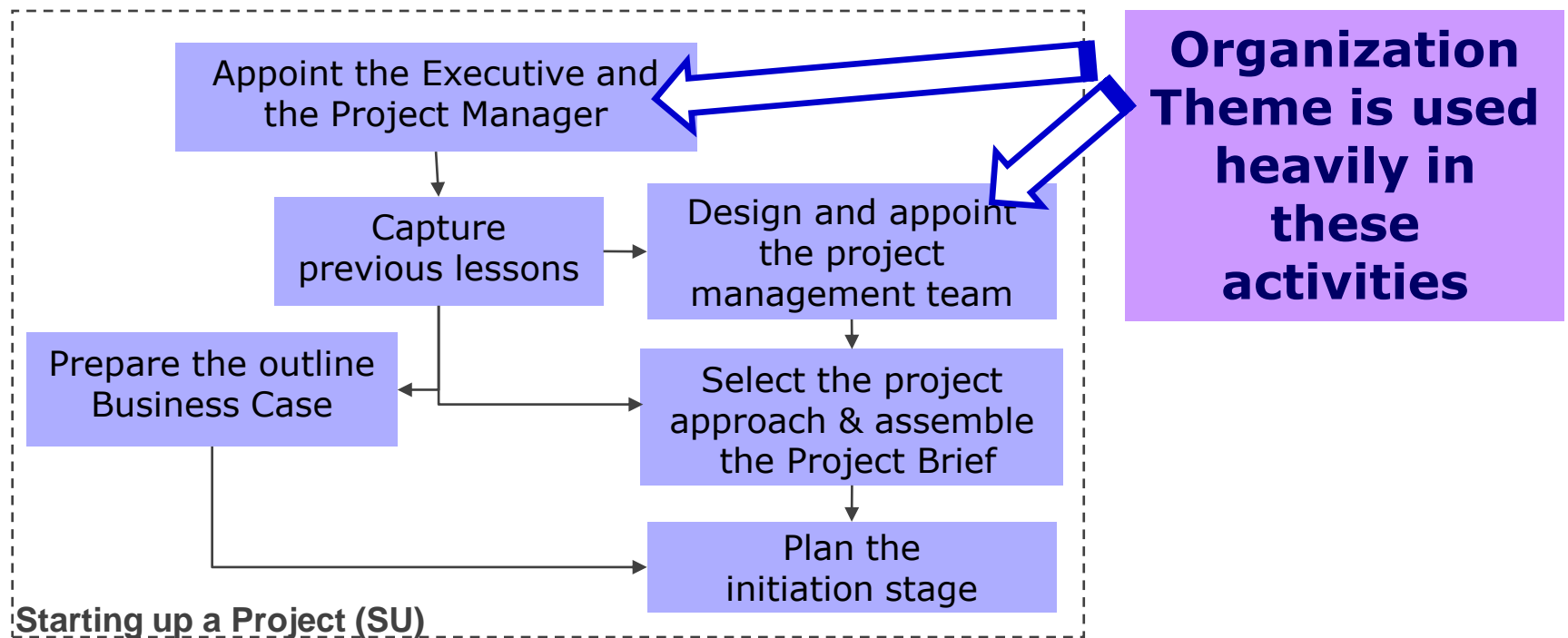
# The 7 Processes

1. Starting up a Project (SU)
2. Directing a Project (DP)
3. Initiating a Project (IP)
4. Stage Boudaries (SB)
5. Controlling a Stage (CS)
6. Managing Product Delivery (MP)
7. Closing a Project (CP)

Processes lead us in an orderly way through the project management life cycle from Start-up to ultimate Closure.

# Relating Themes to Processes (an example)

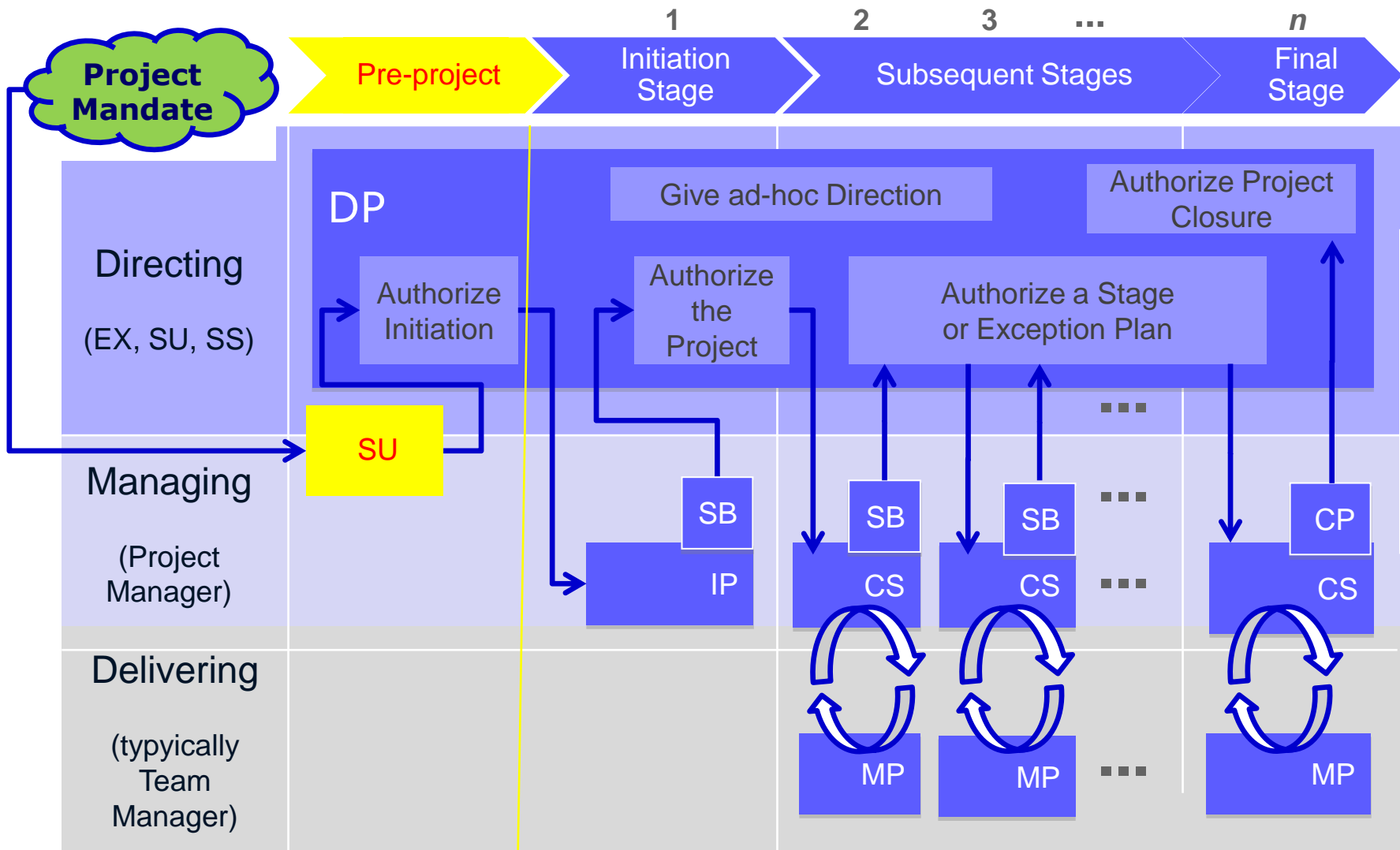
- Themes provide us with “detailed guidance” on important elements of PRINCE2 that we need to apply as we navigate through a PRINCE2 project life-cycle (processes)
- **For example:** An important activity with the Start-up process is to “Design and Appoint the Project Management Team”. To do this effectively, we really need to read and understand the “Organization Theme”. We will also need the Organization Theme when we perform other activities throughout the project life-cycle.



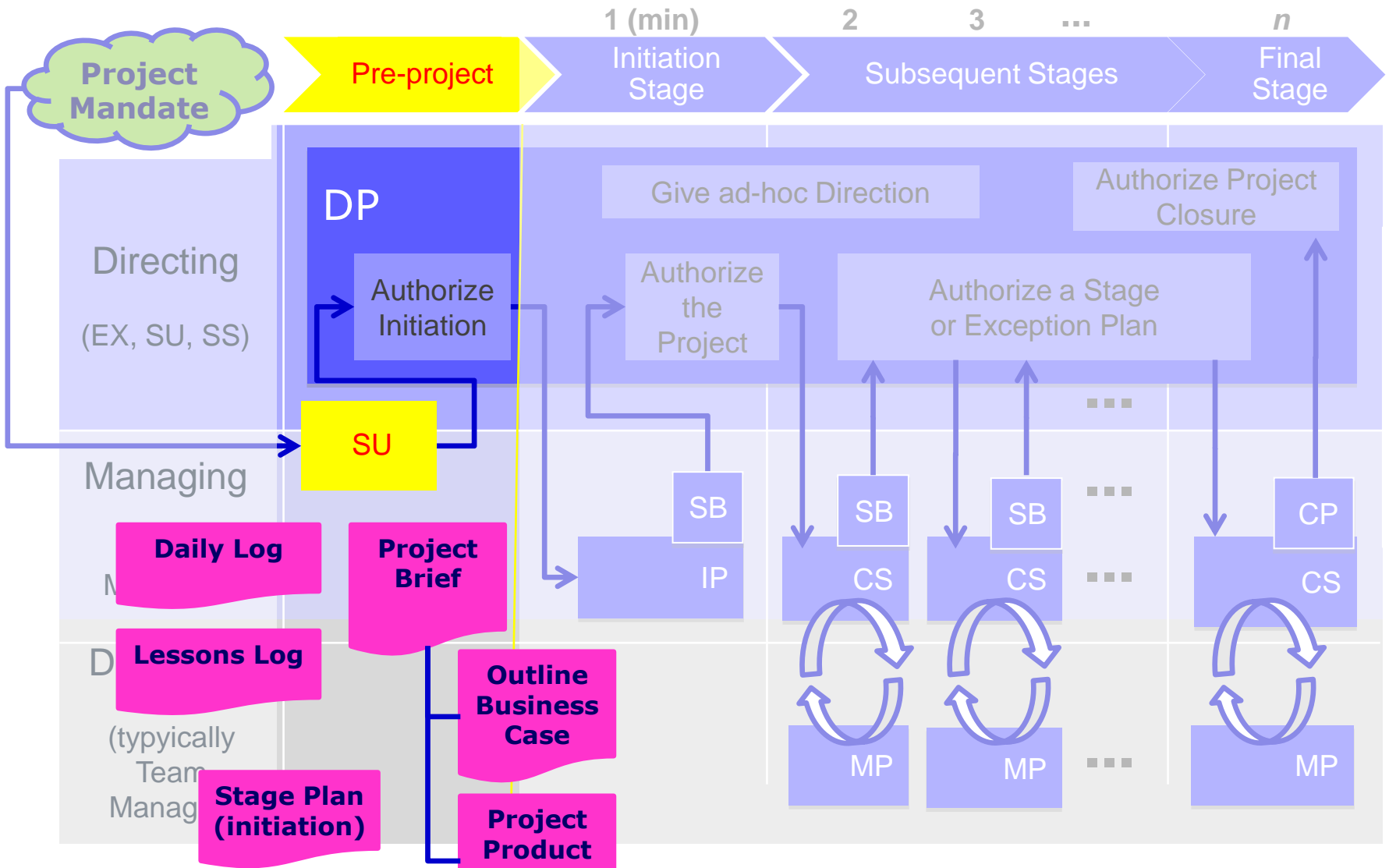
# PRINCE2® Processes

- The diagram on the following slide shows the typical process flow. Note the following:
  - A project mandate triggers the project
  - We then use the SU process to ensure we have a viable project . This is not considered part of the project, but known as “Pre-Project” work.
  - IP is considered the first stage. We create most of the project documentation in IP and assemble them in a master document called the PID (Project Initiation document).
  - We start to control the day-to-day running of the project in CS (Project Manager’s responsibility) which in turn drives MP where the Team Manager will control actual work to create our product.
  - Near the end of every stage (except the last stage) we will hit a Stage Boundary (SB) where we will prepare for the next stage. In the last stage we hit CP to start winding down.

# PRINCE2® Process Flow



# Documents prepared during the Start-up Process (SU)





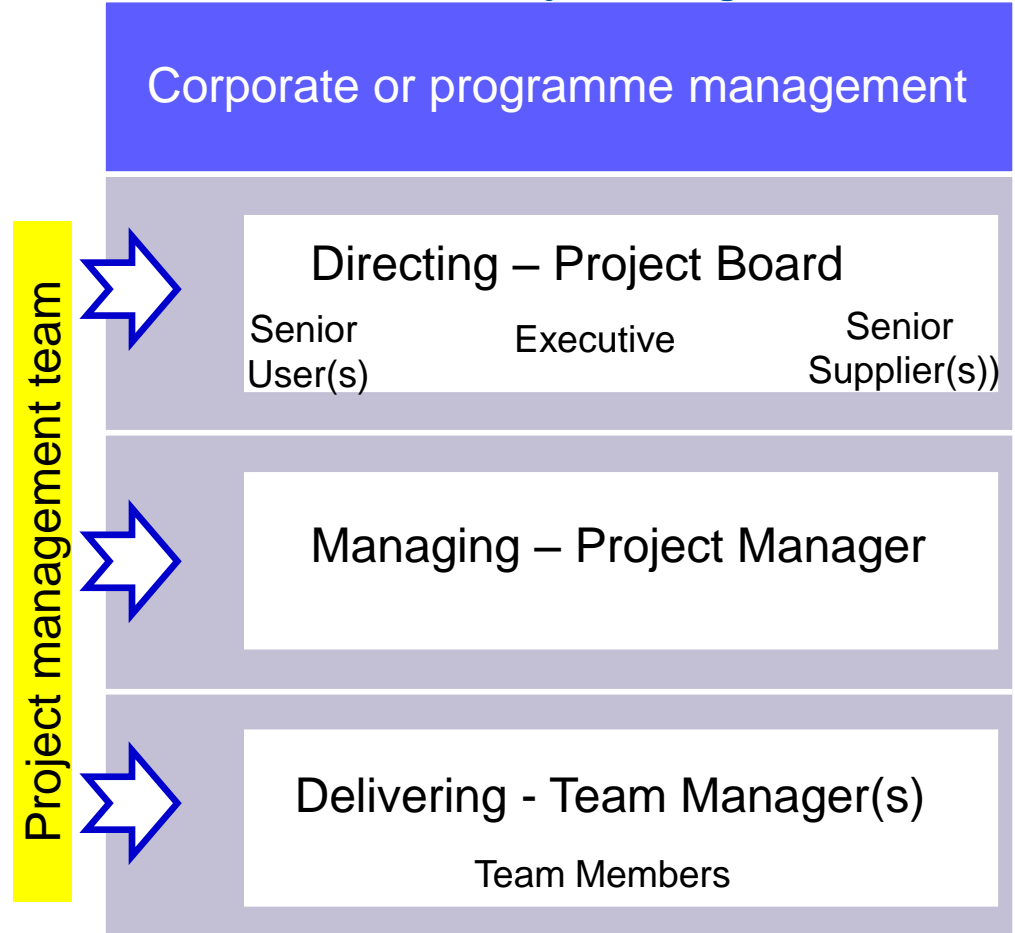
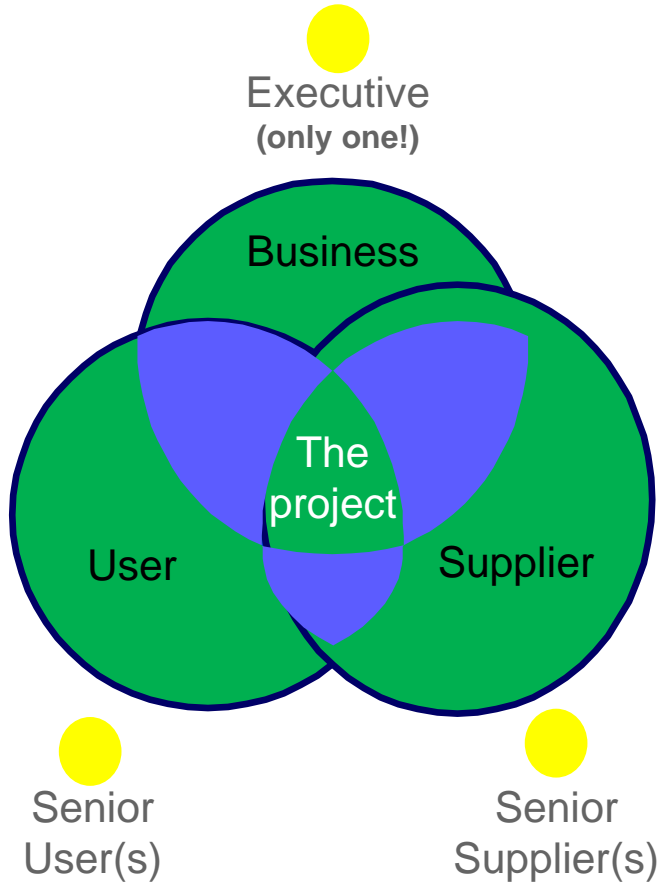
Theme #1

# ORGANIZATION

TO DEFINE AND ESTABLISH THE PROJECT'S STRUCTURE OF  
ACCOUNTABILITY AND RESPONSIBILITIES

# PRINCE2® - Organization Theme (the main project interests)

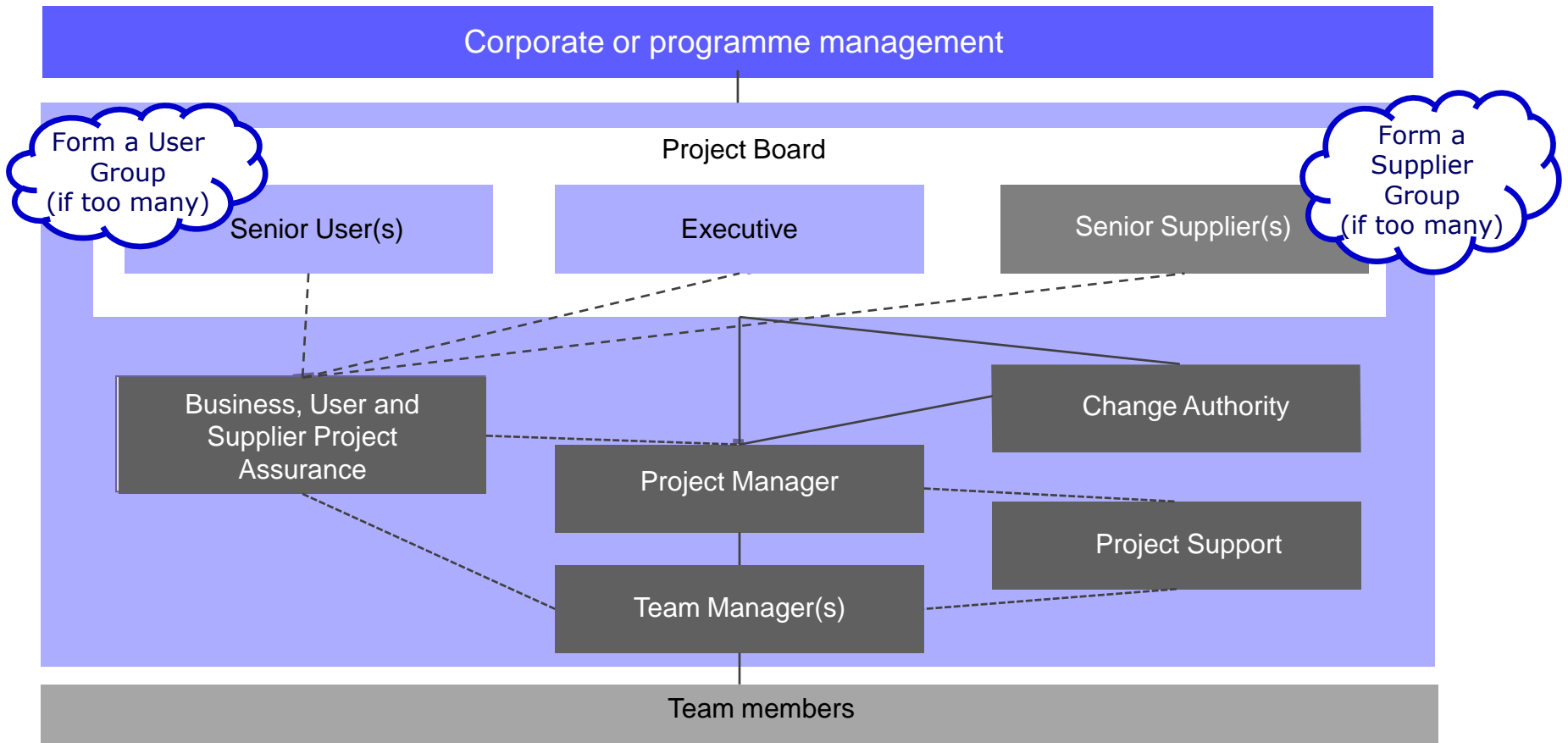
- 4 levels of management overall
- 3 levels within the Project Management Team



good   bad   friendly   indifferent   **Stakeholders**   nasty   supportive   interested

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# Organization Theme: Typical Project Management team structure



- Within the project management team
- From the customer
- From the supplier
- Lines of authority
- Project Assurance responsibility
- Lines of support/advice

(s)



Theme #2

# BUSINESS CASE

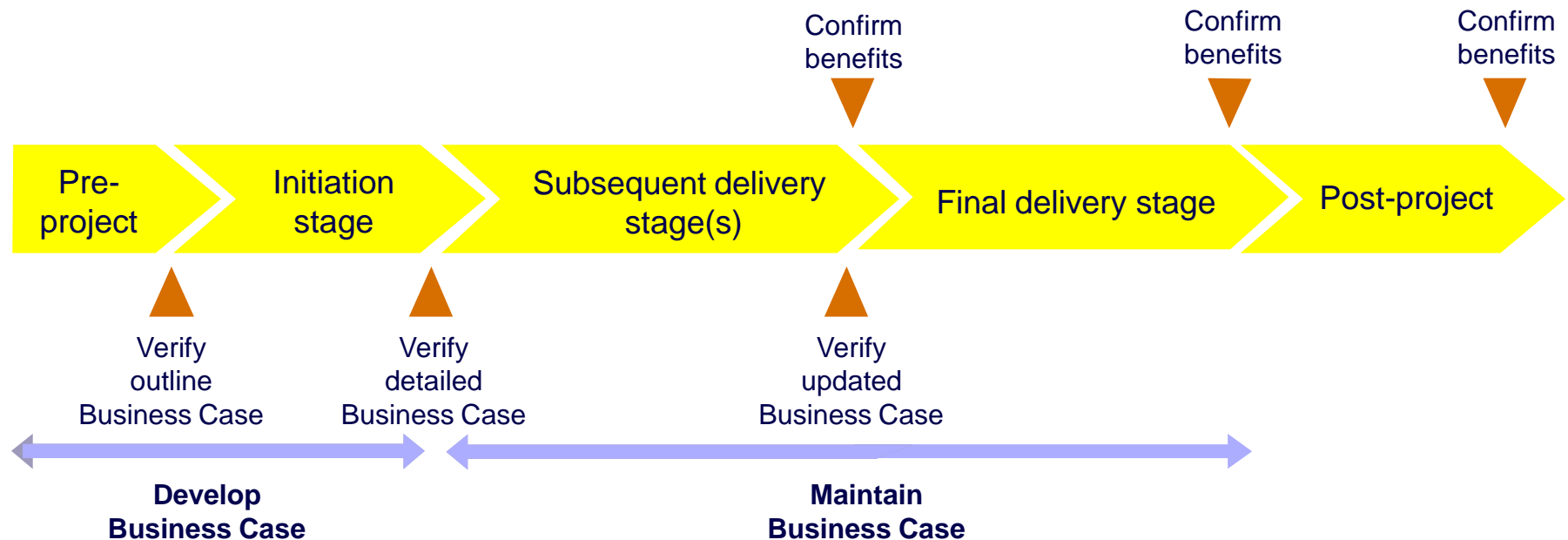
TO ESTABLISH MECHANISMS TO JUDGE WHETHER THE PROJECT IS (AND REMAINS) DESIRABLE, VIABLE AND ACHIEVABLE AS A MEANS TO SUPPORT DECISION MAKING IN ITS (CONTINUED) INVESTMENT.

# PRINCE2® - Business Case Theme

(business case development path)

Notes:

- An outline Business Case is developed in SU
- The main/refined Business Case is completed in IP
- The Business Case is used to assess the continued viability of the project
- The Business Case is updated at stage boundaries (SB)





Theme #3

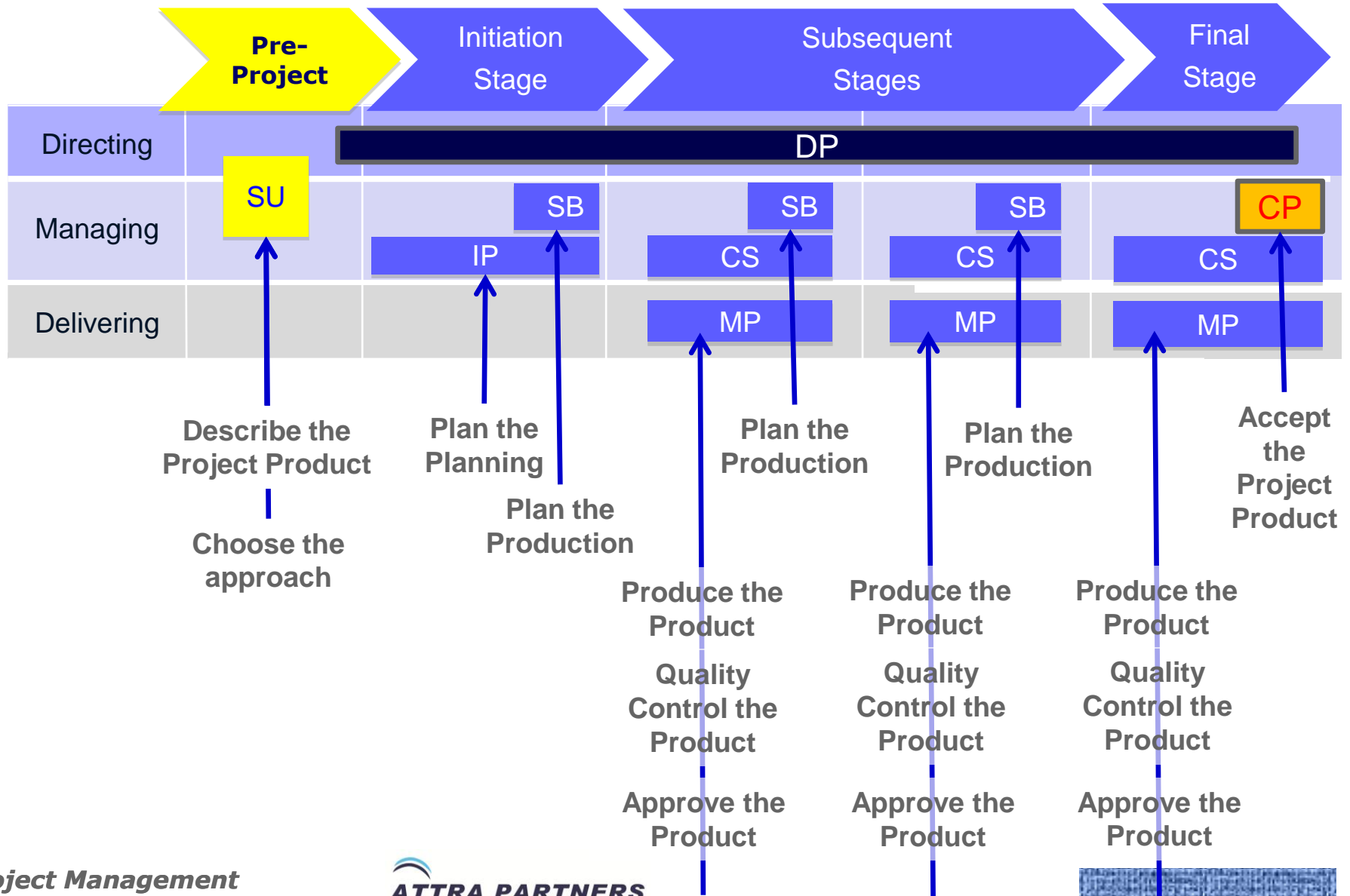
# QUALITY

TO DEFINE AND IMPLEMENT THE MEANS BY WHICH THE PROJECT WILL CREATE AND VERIFY PRODUCTS THAT ARE FIT FOR PURPOSE.

# PRINCE2® - Quality Theme

- Note the following:
  - Quality is closely related to the “Focus on Products” principle and is reinforced within PRINCE2 by the creation of the Project Product Description (PPD) document in SU
  - The PPD includes statements about the customer’s quality expectations and acceptance criteria to avoid any ambiguity
  - When doing detailed planning (usually at Stage Boundaries – SB) we create Product Descriptions which are really sub-components of the Project Product or overall deliverable (see the Product Breakdown Structure in the next Theme “PLANS”)

# The PRINCE2® path to quality





Theme #4

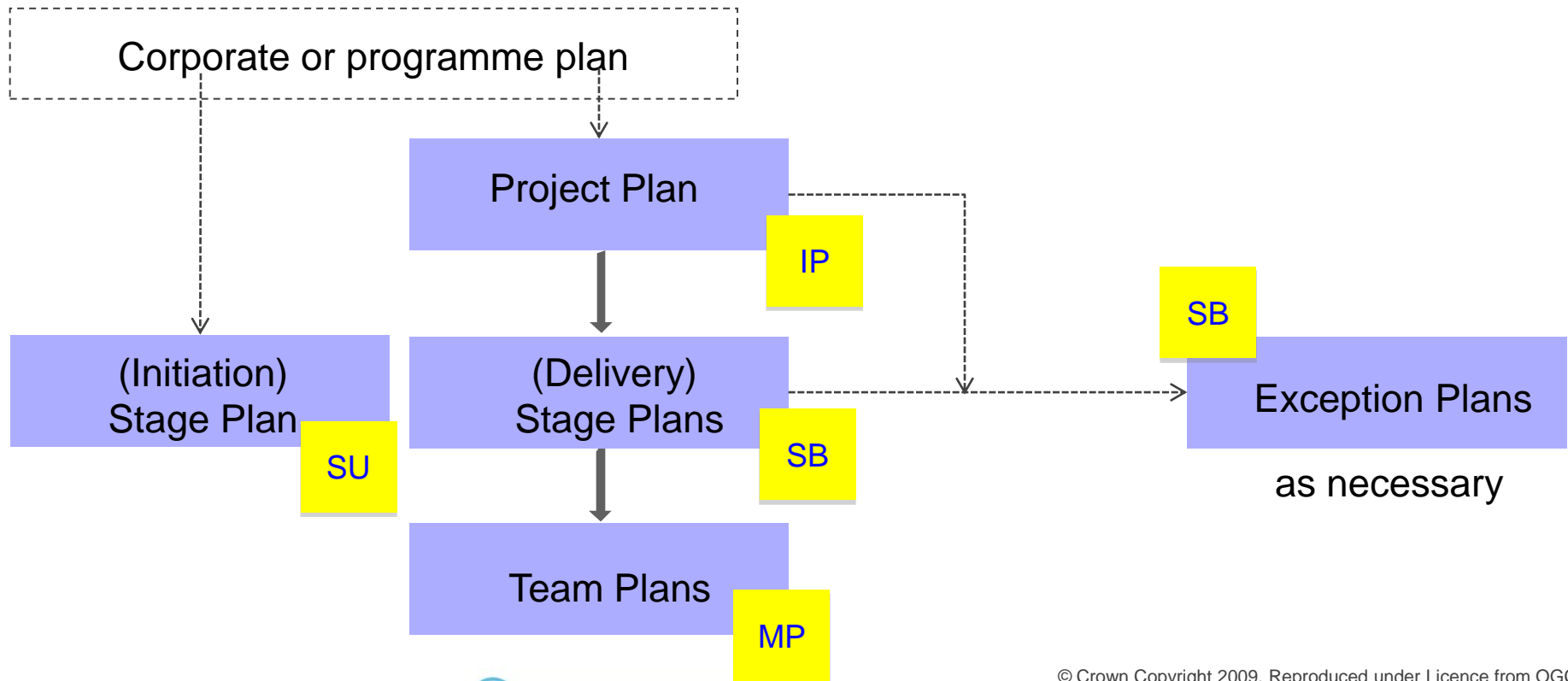
# PLANS

TO FACILITATE COMMUNICATION AND CONTROL BY DEFINING THE MEANS OF DELIVERING THE PRODUCTS (THE WHERE AND HOW, BY WHOM, AND ESTIMATING THE WHEN AND HOW MUCH)

# PRINCE2® - Plans Theme (Planning levels)

Notes:

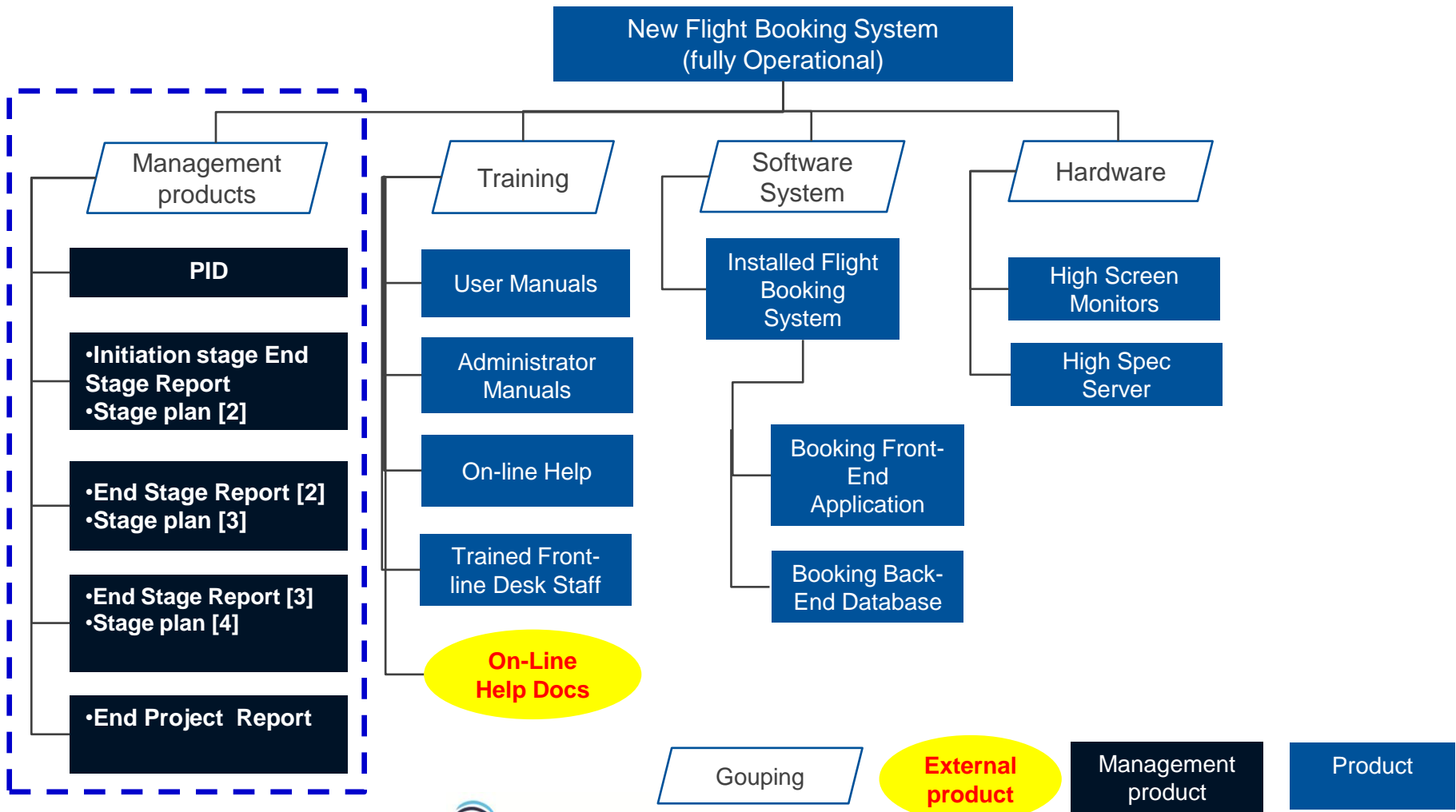
- PRINCE2 emphasises that we need different levels of plan to cater for the needs of the different management levels.
- A strong focus on “product based planning” is part of the PRINCE2 philosophy



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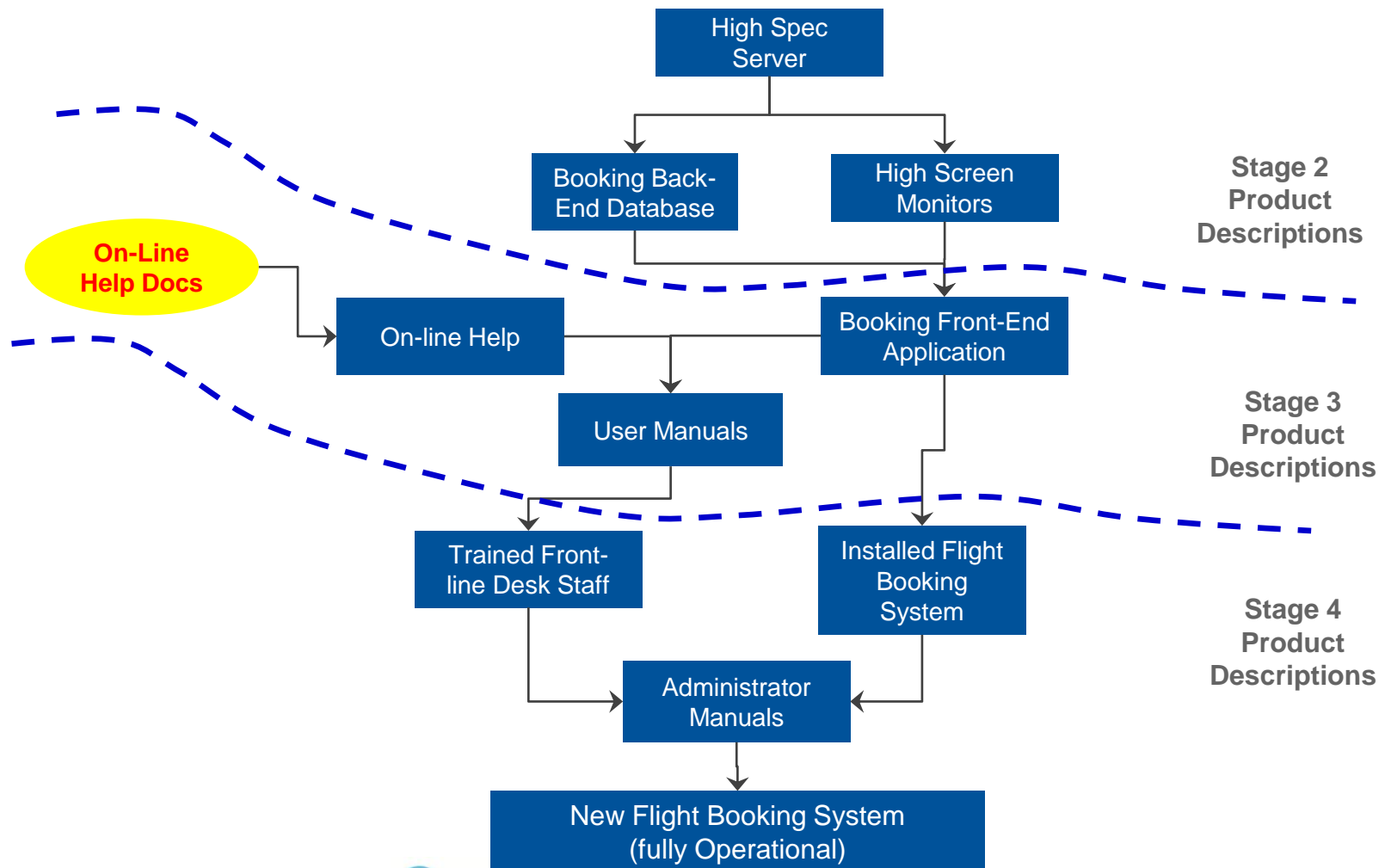
# Product Breakdown Structure (PBS)

- PRINCE2 recommends the use of a PBS as a planning pre-requisite



# Flight Booking System Example – Product Flow Diagram (PFD)

- PRINCE2 recommends the use of a PFD after a PBS has been created





Theme #5

# 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 CONTROL AND UNACCEPTABLE DEVIATIONS

# PRINCE2® - Progress Theme

PRINCE2 recommends six areas of a project that need to be managed, controlled & tracked to ensure the project remains on track. These are depicted below:



# What we wish to control & where we document it

	Tolerance areas	Project	Stage	Work Package	Product
Time	+/- amounts of time on target completion dates	Project Plan	Stage Plan	Work Package	NA
Cost	+/- amounts of planned budget	Project Plan	Stage Plan	Work Package	NA
Scope	Permitted variation of the scope of a project solution, e.g. MoSCoW prioritization of requirements (Must have, Should have, Could have, Won't have').	Project Plan	Stage Plan	Work Package	NA
Risk	Limit on the aggregated value of threats (e.g. expected monetary value to remain less than 10% of the plan's budget); and Limit on any individual threat (e.g. any threat to operational service)	Risk Management Strategy	Stage Plan	Work Package	NA
Quality	Defining quality targets in terms of ranges, e.g. a product that weighs 300g +/- 10g	Project Product Description	NA	NA	Product Description
Benefits	Defining target benefits in terms of ranges, e.g. to achieve minimum cost savings of 5% per branch, with an average of 7% across all branches	Business Case	NA	NA	NA



Theme #6

# RISK

TO IDENTIFY, ASSESS AND CONTROL UNCERTAINTY AN, AS A RESULT, IMPROVE THE ABILITY OF THE PROJECT TO SUCCEED.

# PRINCE2® - Risk Theme (Definitions)

**Risk**: An uncertain event or set of events that, should it occur, will have an effect on the achievements of objectives.

PRINCE2 defines two types of risks (“bad” and “good”):

**Risk “Threat”**: ..can have a negative impact on objectives

**Risk “Opportunity”**: ..can have a favourable impact on objectives

# PRINCE2® Risk responses

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

## Risk Budget

**Sum of money set aside to fund specific management responses to threats and opportunities**



Theme #7

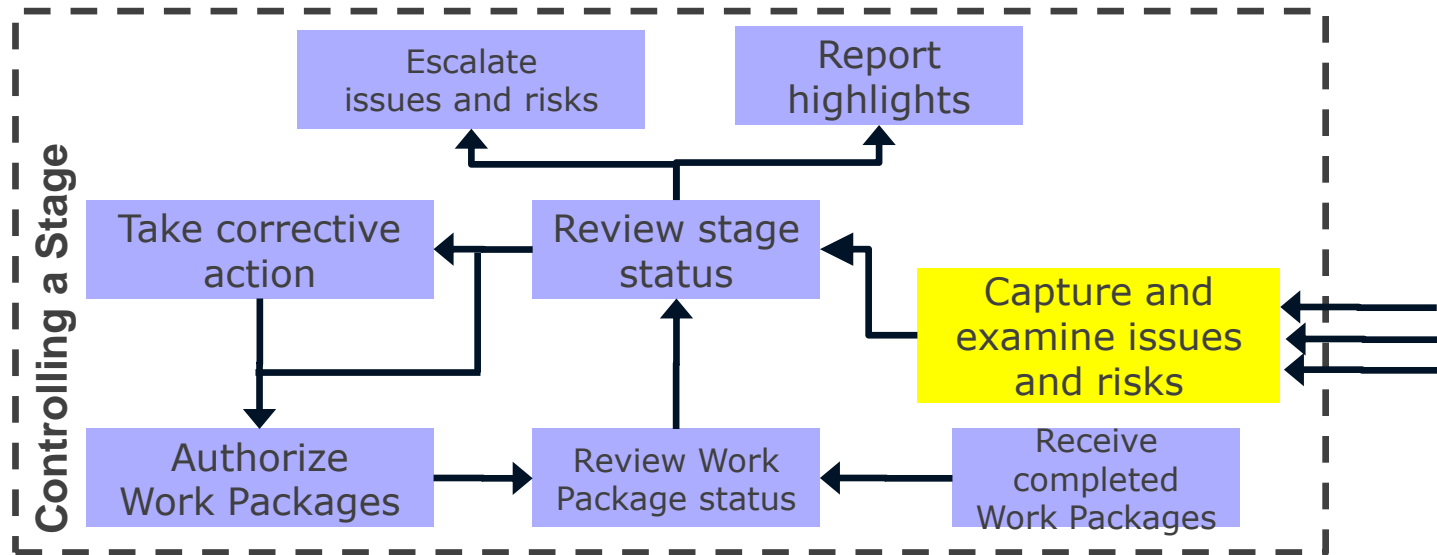
# CHANGE

TO IDENTIFY, ASSESS AND CONTROL ANY POTENTIAL AND APPROVED CHANGES TO THE BASELINE.

# PRINCE2® - Change Theme

The PRINCE2 philosophy is not to prevent change (because this is unrealistic in the real world), but to control it and put in place proper controls so we do not end up with a run-away project.

On a day-to-day basis, the Project Manager is responsible for managing change within the Controlling a Stage (CS) process. One of the key activities in the CS process is “Capture & examine Issues and Risks” which forms the entry point for managing change. Change is considered as a type of issue in PRINCE2 terms (see next slide).



# PRINCE2® Issue Types

Issue types	Definition	Project Manager	Project Board
Request for change	A proposal for a change to a baseline (including baselined Product Descriptions).	<ul style="list-style-type: none"> <li>• Capture</li> <li>• Impact analysis (examine)</li> <li>• Propose action</li> <li>• Present to the person or group who has the competence to accept or refuse the request for change</li> </ul>	<ul style="list-style-type: none"> <li>• Approve</li> <li>• Reject</li> <li>• Defer decision</li> <li>• Request more information</li> <li>• Ask for Exception Plan</li> </ul>
Off-specification	Errors or omissions A product is, or will not be, delivered as described in the Product Description.	<ul style="list-style-type: none"> <li>• Capture</li> <li>• Impact analysis</li> <li>• Propose action</li> <li>• Project Manager tries to handle inside stage tolerances</li> <li>• If impossible: Exception Report</li> </ul>	<ul style="list-style-type: none"> <li>• Grant a concession</li> <li>• Instruct that the off-specification be resolved</li> <li>• Defer decision</li> <li>• Request more information</li> <li>• Ask for Exception Plan</li> </ul>
Problem/concern	Any other issues	<ul style="list-style-type: none"> <li>• The Project Manager resolves within tolerances</li> <li>• If impossible: Exception Report</li> </ul>	<ul style="list-style-type: none"> <li>• Provide guidance</li> <li>• Ask for Exception Plan</li> </ul>