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The #1 read book on PRINCE2:2009

An Introduction to PRINCE2®

A excellent introduction to PRINCE2

By Frank Turley
The PRINCE2 Coach

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PRINCE2® ATO

An Introduction to PRINCE2®

Introduction to PRINCE2

Thank you for downloading this book and for your interest in PRINCE2. The main objective of this book is to provide a logical and easy-to-understand introduction to PRINCE2®. The idea for this book came from the questions I received from people trying to learn PRINCE2 and after reading the PRINCE2 manual.

The PRINCE2 manual for the Project Manager is an excellent reference manual, but can be rather difficult to pick up and read if you are both new to project management and to PRINCE2.

So this book is meant to be an easy introduction to PRINCE2**,** as it is quickly becoming the most read book on PRINCE2:2009.

The information in this book is also available in other formats, such as Computer-Based Training (CBT) and Podcast so you can watch or listen.

Test your knowledge: You can also download a Q&A podcast, which asks questions based on the information in this introduction book. It then gives a beep signal so you can pause and think about the question and when ready, then click Play to compare your answers. This is a great way to improve your knowledge, as further information can also be provided and this is also why we call this podcast "Learn Thru Questions."

You can also get FREE access to our PRINCE2 full Self Study (Foundation or Practitioner) course when you book your PRINCE2 Foundation or Practitioner exam with us. See **Link**

Acknowledgements

By Frank Turley

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Customize this book

A number of companies have already asked us to customize this book to provide an overview on how they do projects, and to provide a common understanding of how projects are done in their company. Some companies even use this book in their bidding process to show their clients how they work and how the clients can interact and control the project.

We will be happy to discuss this with you.

About the Author

Frank Turley (The PRINCE2 Coach) has been a Project Manager for more than 15 years and a PRINCE2 Practitioner.

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He is also a Project Manager trainer and coach and has written the following training material for or PRINCE2:

1) Introduction to PRINCE2 CBT & Podcast
2) PRINCE2 Foundation Podcast Course
3) Learn PRINCE2 Thru Questions Podcast (LTQ)
4) The PRINCE2 Training Manual, ….

The PRINCE2 Training Manual: Book

The main objective of the PRINCE2 Training Manual is also to provide an easy-to-read and easy-to-understand full PRINCE2® manual that can be used to prepare for both the Foundation and Practitioner exams.

The official PRINCE2 Manual for the Project Manager is an excellent reference manual but can be rather difficult to pick up and read if you are both new to project management and to PRINCE2. So our PRINCE2 Training Manual is an easy introduction to PRINCE2

How is the PRINCE2 Training Manual different from the official PRINCE2 manual?

- The Training Manual provides lots of examples of Management Products
- It use examples to help explain new PRINCE2 terms
- It is written like a training manual and therefore very easy to read
- It provides questions at the end of each chapter
- It is available in PDF format making it easy to search and find what you need.
- It is available in audio format, …..

About TAG

Trans-Atlantic Consulting Group (in short, “TAG”) was established in 2001 by Peter Krischel. Since 2001, TAG has trained 8,000 project managers in more than 20 countries using a global network of business partners.

Trans-Atlantic Consulting Group is an accredited PRINCE2 training organization (ATO). PRINCE2 is a process-based approach for project management, providing an easily tailored and scalable method for the management of all types of projects. The method is the *de facto* standard for project management in the UK and is practiced worldwide.

Learning PRINCE2® Foundation: Options

These are the different learning options to choose from when studying PRINCE2.

Course Type & Description
Self Study • Consider self-study if you have time and good self-discipline • Choose training material that suits you and that you can use • You can buy an exam voucher from any ATO or from MgmtPlaza • The average cost of a PRINCE2 Self-Study is £300, €353 • The Self-Study course from MgmtPlaza costs: £89, €110
3-Day Classroom Course • Standard 3-day course provided by most PRINCE2 training companies • Use our **free** Introduction (pre-course) material to prepare and you will get a lot more from this course and score higher on the exam
Evening Course • Mixture of Self-Study and 3 Evening Classes (4 hrs each evening) • Suitable for IT contractors who don't wish to lose billable days while taking the PRINCE2 course & exam
In-House Course • This can be a 2-day or 3-day course (combined with self-study) • This can be cheaper for a company if they have more than 6 persons who want to follow a PRINCE2 Foundation Course

PRINCE2 Self-Study course from MgmtPlaza

The Self-Study course from MgmtPlaza includes the following materials.

- **Step 1**: Introduction to PRINCE2 (Pre-Course)
  - **Step 1.1** : This book, the Introduction to PRINCE2 book
    - This book provides an excellent introduction to PRINCE2
    - It has also become one of the #1 read books on PRINCE2:2009
  - **Step 1.2** : CBT version of this book
  - **Step 1.3** : Audio version of this book (listen while driving….)
  - **Step 1.4**: Q&A course – 80 Q&A's based on this Introduction course
- **Step 2**: PRINCE2 Training Manual & Audio Course
  - **Step 2.1**: The PRINCE2 Training Manual - Easy to read and understand
  - **Step 2.2**: 12-hour Audio Course – covers all parts of PRINCE2
- **Step 3**: PRINCE2 Q&A Audio Course & PDF (550 practice questions)
  - Listen to the Q&A after reading or listening to a chapter (Step 2)
- **Step 4**: Practice Online Exam Questions (from APMG)
- Support:
  - You can also get support from Frank by sending an email to frank.turley@MgmtPlaza.com, This service is included with self-study

See how to get this PRINCE2 Self Study course FREE: **Link**

Our objective at MgmtPlaza is to provide the most easy-to-use self-study material that will allow people to easily understand and use PRINCE2, pass the exam, and most important, to improve their project management skills.

Our online demo training room

This is our demo online training room and you have access to the following information. To access this site you just need to register on our site **www.MgmtPlaza.com** .

You can also get FREE access to our PRINCE2 full Self Study (Foundation or Practitioner) course when you book your PRINCE2 Foundation or Practitioner exam with us. See **Link**

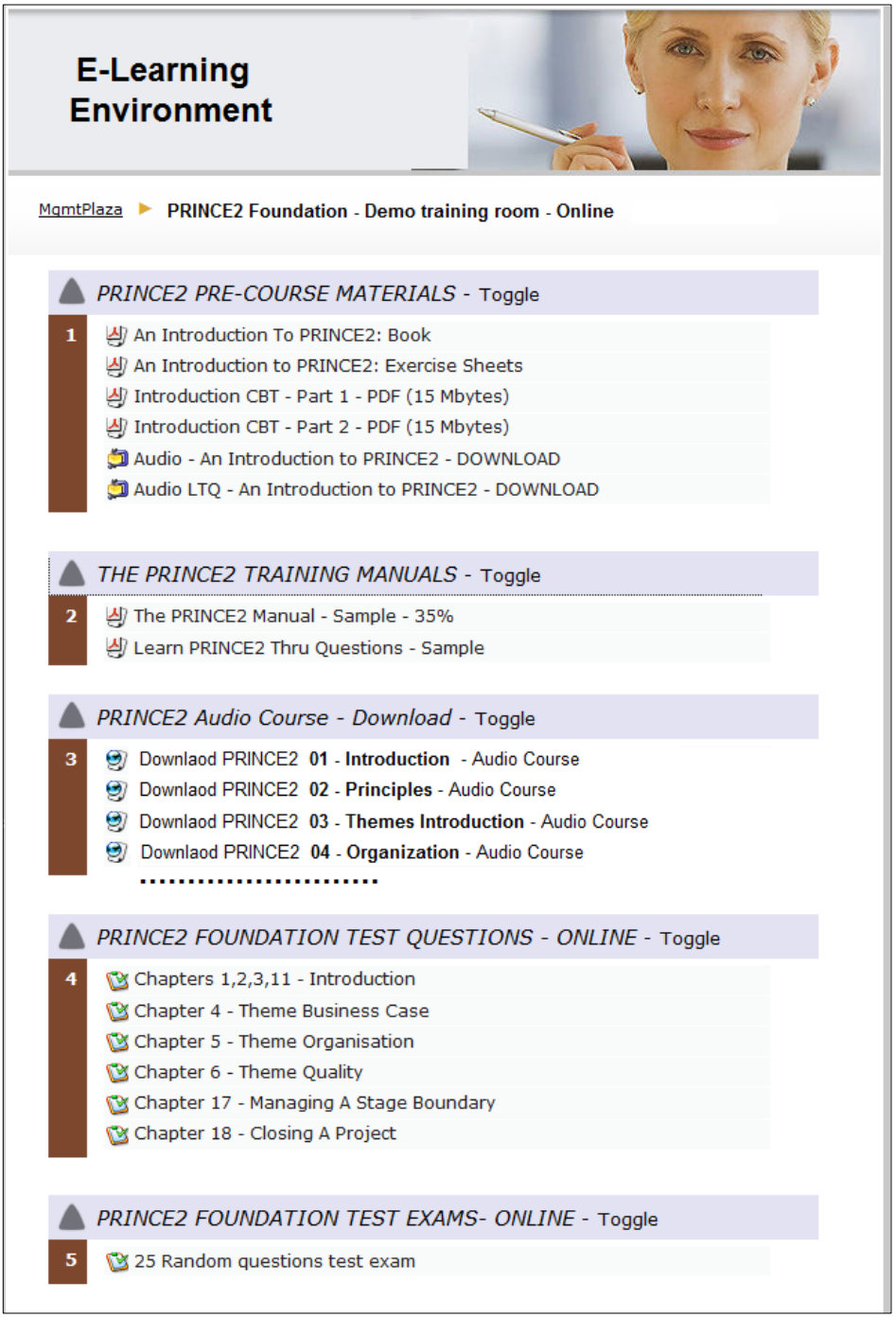

Table of Contents

1 The TAG Introduction to PRINCE2

1.1 Course Objectives – Classroom Preparation Course

The main objective of this course is to provide an overview of the PRINCE2 Process Model.

The PRINCE2 manual is excellent and describes each element of PRINCE2 in great detail. It is easy to read and it is also a very good reference manual. Also, the PDF version is easier to search for desired subjects.

The majority of people who start to study PRINCE2 by first reading the PRINCE2 manual have the following feedback. They would like to understand:

- The normal path of a project
- How a project begins and the steps until the project closes
- How all the processes fit together and how the outputs from one process are the inputs to another

This course therefore provides a high-level overview of PRINCE2 using the Process Model. It is possibly the best introduction to PRINCE2, as you will be able to follow the path of a typical project and revise your knowledge of PRINCE2, for example, by drawing the Process Model diagram and explaining it in your own words.

I have included some exercise sheets (see our **website**) so you can practice drawing the PRINCE2 Process Model and filling in the missing information. Once you are able to draw the complete model, then you will have an excellent grounding in PRINCE2 and will find it much easier to take the Foundation or Practitioner courses.

Check that you are reading the latest version of the book: Click here to check

1.2 Course Contents

This book is also available in a podcast format, which takes about 60 minutes to download. This book covers the following points:

- the trigger to start a project
- the steps when starting a project and who does what
- which documents are required
- when certain documents are created and by whom
- an overview of the major roles in the project
- how the project moves from startup, to initiation, to stages until the project is closed
- the typical inputs and outputs for each process
- how the project board controls the project

1.3 Organization

1.3.1 Project Organization Introduction

Before we start the Process Model Introduction, it is necessary to take a brief look at the Project Organization. as these terms are used during the rest of this course.

This is a very simple overview and the diagram shows the four levels of a **Project Management Structure** (also called “Project Organization”).

The **Project Management Team** has just three levels. The top level is the Project Board level and the lower level is the Team Manager level. The project team is a temporary structure; it is created for the project and is disbanded once the project is completed.

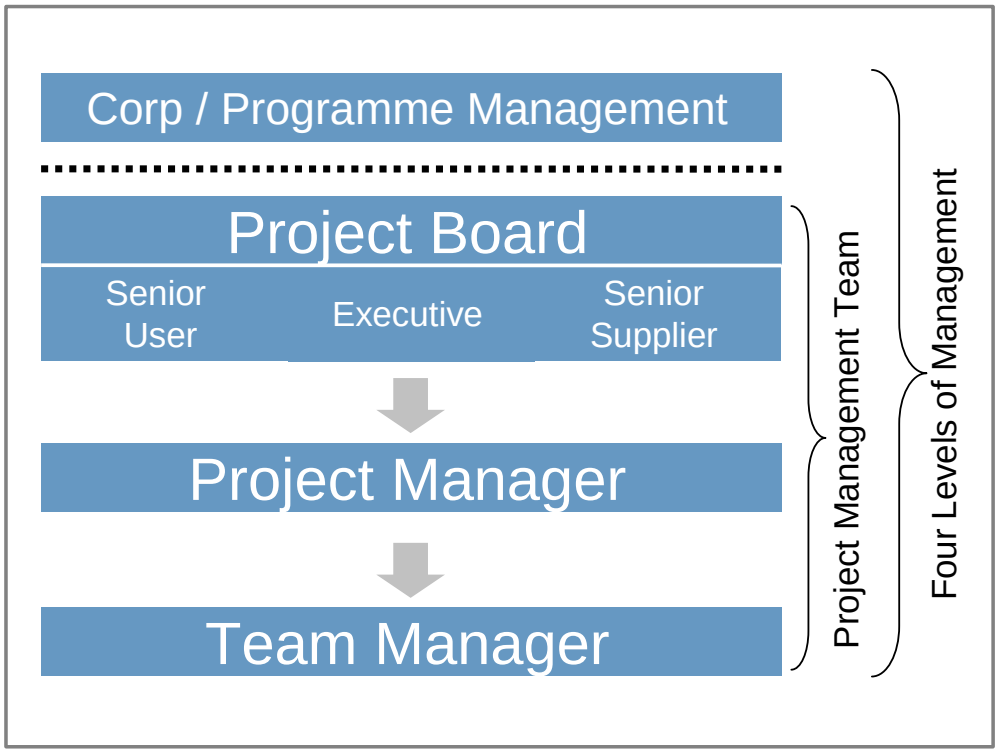

Fig 1.1 Project Management Structure / Project Organization

At the top of the Project Management Structure, you have the Corporate or Programme Management Level. This level is outside the project, so they do not participate in the project and therefore they are not a part of the project team. More and more companies now have PMO's, which stands for Programme Management Office, and can also have other names like Programme Office and Project Office.

The Project Board is responsible for the success of the project and has the necessary authority to take decisions and approve all major plans for the project. They approve the completion of each stage and authorize the start of the next. We refer to this as **Directing a Project.**

1.3.2 What is a Programme?

A programme is 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.

That is what you call a long definition, so a simpler way to think of this is:

> "a programme is a group of related projects in an organization"

If there is no programme in place, Corporate Management will be the top layer. This is the term that PRINCE2 uses to refer to a higher level of management in a company.

1.4 Organization Roles

The Project Board has three Roles, which are: The Executive, The Senior User and The Senior Supplier.

1.4.1 The Executive Role

The Executive is the main person responsible for the project, and is supported by the Senior User and Senior Supplier. The Executive represents the business interests of the project and owns the business case. The role of the Executive gives a single point of accountability for the project.

Usually the Executive is responsible for designing and appointing the project management team, including the rest of the Project Board and Project Manager.

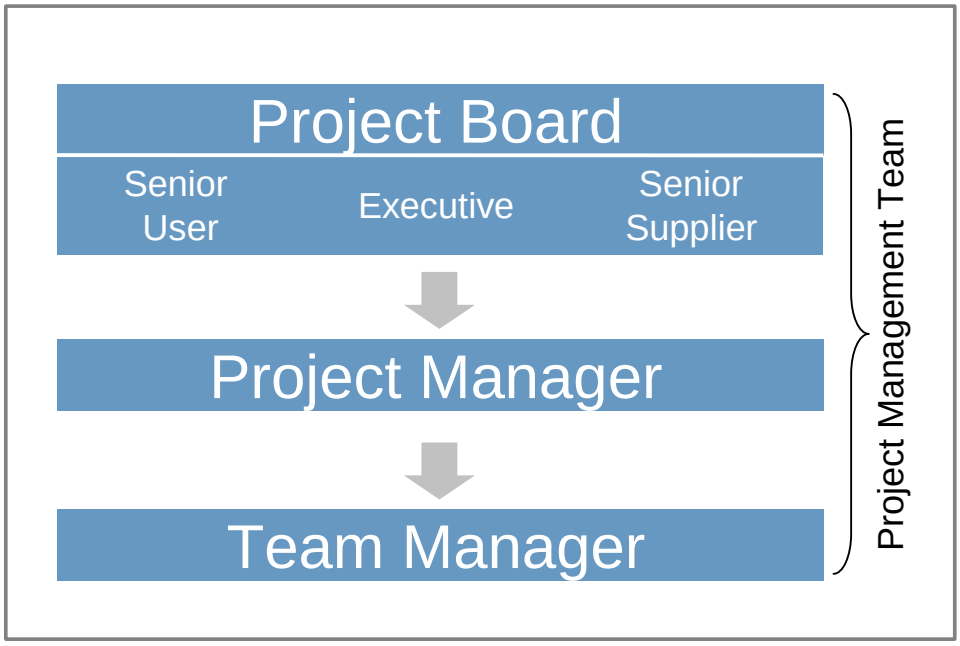

Fig 1.2 The Project Management Team

1.4.2 The Senior User Role

The Senior User represents the user interests and is responsible for the specification. They specify the needs of the users and check that the final products meet the required specification. Their main concern throughout the project is **"Will it work?"**

The Senior User also specifies the expected benefits at the start of the project and reports to the project board on the benefits that are being realized during the project.

1.4.3 The Senior Supplier Role

The Senior Supplier represents the interests of those designing, developing, facilitating and implementing the project's products. Their main concern throughout the project is **"Can it be done?"** and whether it can be done within the agreed time, cost and quality requirements.

1.4.4 The Project Manager Role

The Project Manager is appointed by the Executive with approval from Corporate or Project Management. The Project Manager runs the project on behalf of the Project Board on a day-to-day basis and has the responsibility to produce the required products to the required quality within the specified time and cost.

There are many different facets to the role of project management, such as Communication – in fact, it is estimated that more than 70% of a project manager's time is spent on Communication, but also on Cost Management, Quality, Product Status, Changes, User Needs, Monitoring and Planning.

1.4.5 The Team Manager Role

The Team Manager has the responsibility to produce the products that were assigned in work packages by the Project Manager, and to provide regular status reports on their progress. This allows the Project Manager to monitor their work. The Team Managers create their own team plans to manage the development of the assigned products.

For small projects, the Team Manager may not be required, so the team members will report directly to the Project Manager

2 The PRINCE2 Process Model Diagram

2.1 Process Model Diagram Introduction

I presume you are looking at the Process Model diagram in color: At first the Process Model diagram might seem like a bit too much information all at once, but do not worry. This course will explain the different parts of the model and guide you through it step by step, starting with the "Project Mandate" document and ending with the "Closing a Project" process.

I suggest that you print out the full PRINCE2 Process Model diagram in color (A4 landscape) and refer to it while reading this book. You can download the PRINCE2 Process Model diagram from our website.

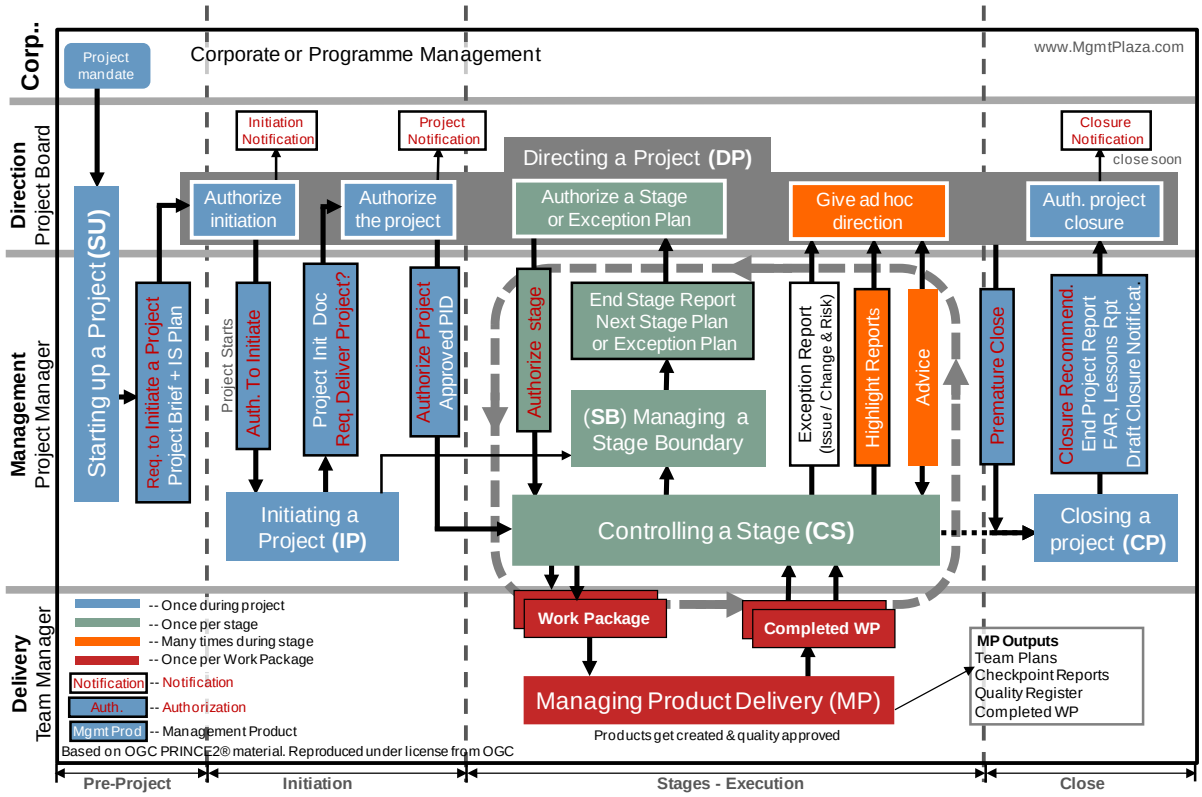

Fig 2.1 The PRINCE2 Process Model

2.2 Process Model Using Color

Due to the way the Process Model is normally shown, it is difficult to see that some processes are executed more than once. This just makes learning PRINCE2 more difficult as you try to identify the relationship between the processes.

I have therefore used colors to make this easier to understand:

Blue items

- All blue items are executed once in a project.
- **e.g.:** Starting up the Project, Initiating a Project, creating the Project Initiation Documents, creating a Project Plan and Closing the Project.

Green items

- All green items are executed once for each stage.
- You can see from the diagram that Controlling a Stage and Managing Stage Boundaries work together. So if a project has four stages after start-up, then the items in green are executed four times.
- There is just one exception that happens at the end of the final stage after all products have been delivered. The Closing a Project process follows the Controlling a Stage process, so Managing a Stage Boundary is not done at the very end of the final stage of a project.

Orange items:

- Orange items can be executed multiple times in a stage.
- **e.g.:** A highlight report can be sent each week during a stage by the Project Manager to the Project Board. And the Project Board can give Guidance and Instructions to the Project Manager at any time.

Dark Red items

- Dark Red items can be implemented multiple-times during a stage, as the Project Manager can give work packages to a number of Team Managers.
- A Team Plan can be created for each Work Package.

Don't worry if you don't understand all these terms now, they will be explained in detail later in this book.

2.3 Four Management Levels

The Process Model shows four Management Levels.

Level 1: Corporate or Programme Management

The top level is the Corporate or "Programme Management" Level. You can see from the diagram that the only thing created in this level is the project mandate.

Level 2: Direction

The Direction or "Directing" Level is where the Project Board works. They interface often with the Management Level and provide the above level with a number of notifications. There are three notifications shown in the process model diagram.

Level 3: Management

The next level is "Management" and it is where the Project Manager works. It contains most of the activities and processes, such as Initiating a Project and Controlling a Stage. So you can see from this diagram that most of the management activities for a project are done by the Project Manager.

Level 4: Delivery

The bottom level, "Delivery," is where the project's products are created. Remember. all the products created above the Delivery level are created just to manage the project. **e.g.:** Project Plan, Project Brief. These are also known as **management products.**

All the products created in the Delivery level by the teams are the products users want from the project. These products are the reason why the project was started. These are known as **specialist products.**

2.4 Process Model – Processes

This is a simpler view of the Process Model diagram from the point of view of the 7 processes

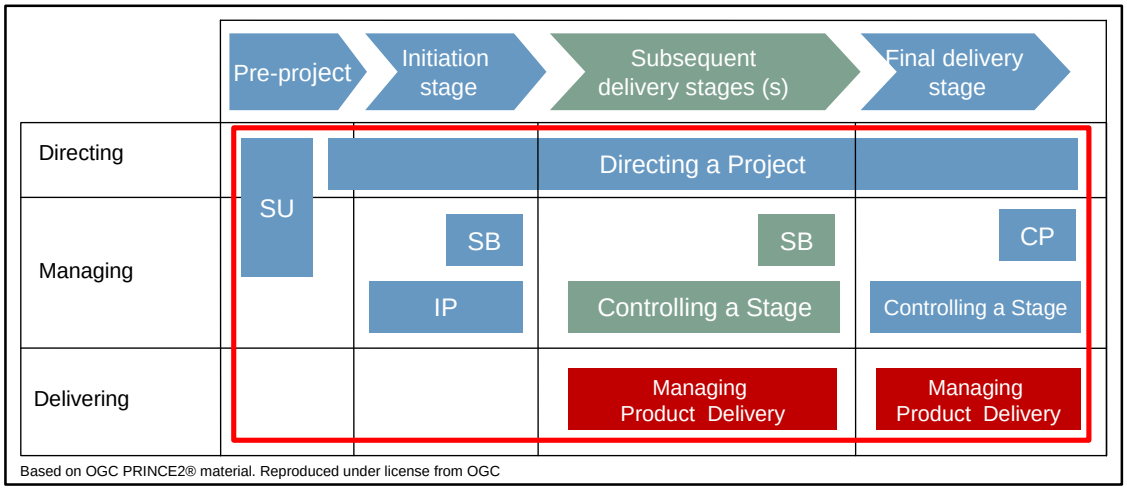

Fig 2.2 PRINCE2 Processes

Directing a Project (DP)

- This process is for Senior Management and this course will show how the senior management controls the project.

Start Up a Project (SU)

- This is a very short pre-project process that gathers the necessary data to start the project.

Initiating a Project (IP)

- This process examines the justification of the project and creates the Project Initiation documents, which include the Project Plan.

Controlling a Stage (CS)

- This process describes the Project Manager's day-to-day monitoring and control activities. This is where the Project Manager spends most of their time during a project.

Managing a Stage Boundary (SB)

- This process provides a controlled way to complete a stage and plan the next one.

Managing Product Delivery (MP)

- This process delivers the products. It is where the products (Specific Products) that the users will use get produced by the team members.

Closing a Project (CP)

- This process confirms delivery of the products and the Project Manager prepares the project for closure.

2.5 Exercise Diagram

This book provides information on a number of exercise sheets (see Appendix A for more information) that you can use to test your knowledge during and at the end of the course. You can download these exercise sheets separately from our website. Our objective with these exercises is to get you to draw the Process Model diagram.

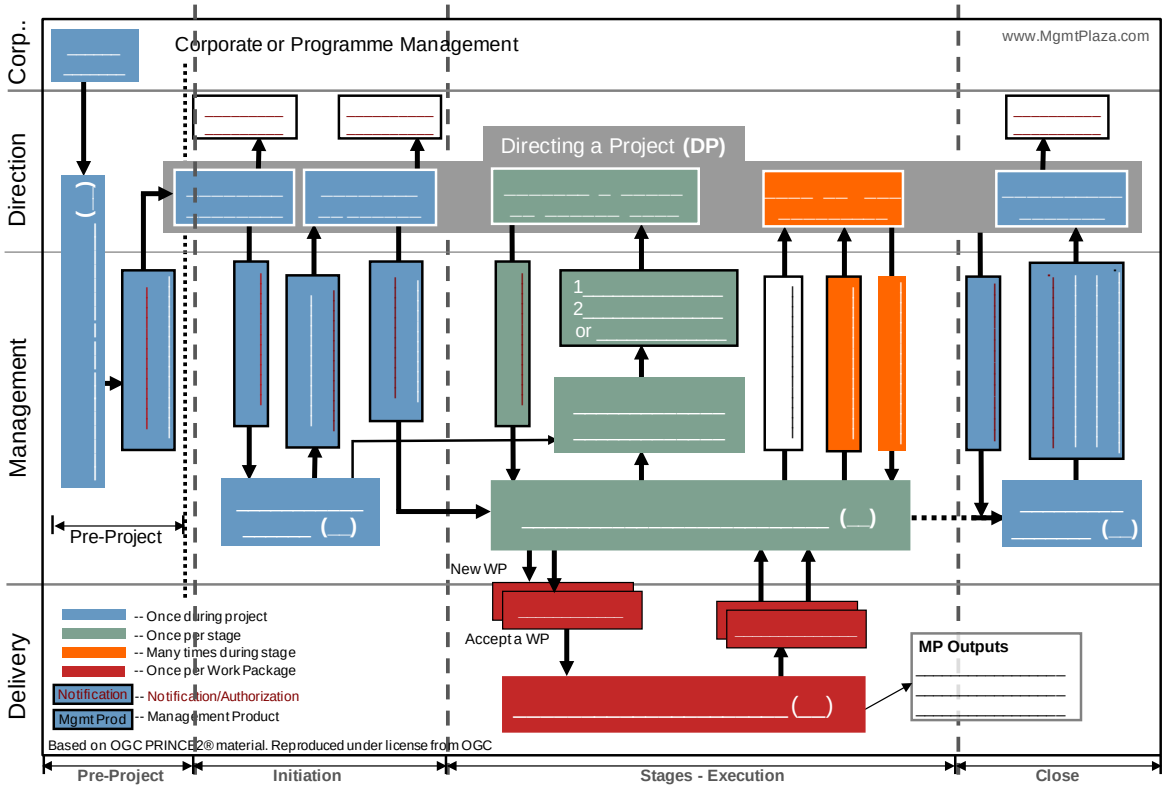

Fig 2.3 Exercise Sheet

If you can draw this diagram and are able to fill in both the notifications and products, then you will be able to answer many of questions in both the Foundation and Practitioner Exam.

This is also a good exercise to do before an exam or anytime you want to refresh your knowledge of PRINCE2.

3 The PRINCE2 Process Model

3.1 Pre-Project / Project Mandate

We will start by looking at what happens before the project begins.

A project mandate comes from a senior person in the organization. It may be referred to as a Project Request or a Project Proposal, but the PRINCE2 name is **Project Mandate**.

As you can see from the diagram, the project mandate provides the input to the process "**Starting up a Project**" and is created before the project starts. In fact, the project mandate provides the **trigger** to **start the project**.

Sometimes a project mandate can be just a command, an email or a memo, but it should eventually become a structured document and contain the necessary information to help start the Project.

If the project is part of a **programme**, then the majority of the preparation work that would be normally done in the Starting up a Project process will most likely be supplied by the programme. So the Starting up a Project process would be even shorter in a programme environment.

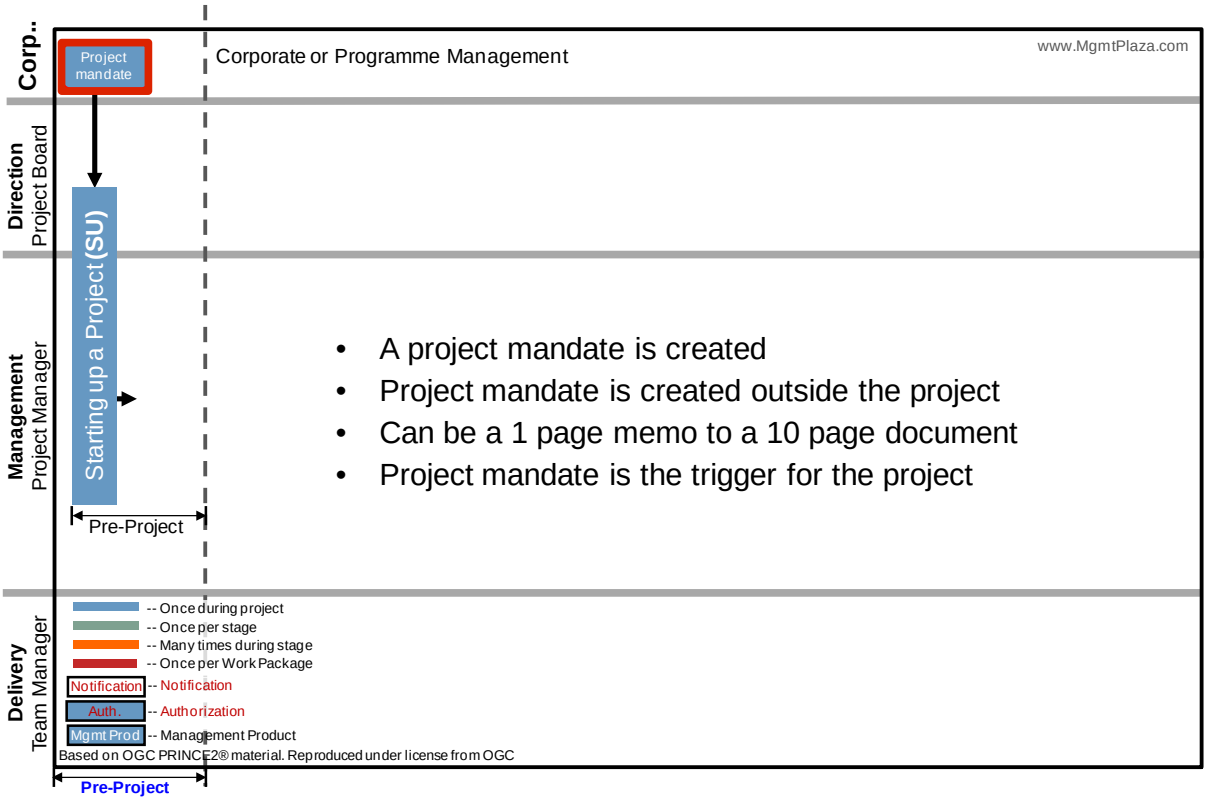

Fig 3.1 Project mandate

3.2 Project Mandate Contents

The project mandate can have a number of formats; it can be just a command, a one-page memo or a ten-page document. The PRINCE2 manual states that the project mandate should identify the Executive and Project Manager. The project mandate may not necessarily be a document.

Other information that may be included in a project mandate is:

- The Main Objective of the Project
- The Business Case, which describes the reasons for the project
- Project Scope in high-level terms
- Customers' quality expectations
- Information about the customer, **e.g.:** best practice for documenting requirements
- Information on related projects that may provide important feedback

The Starting up a Project (SU) process is ready to begin once the project mandate document is ready.

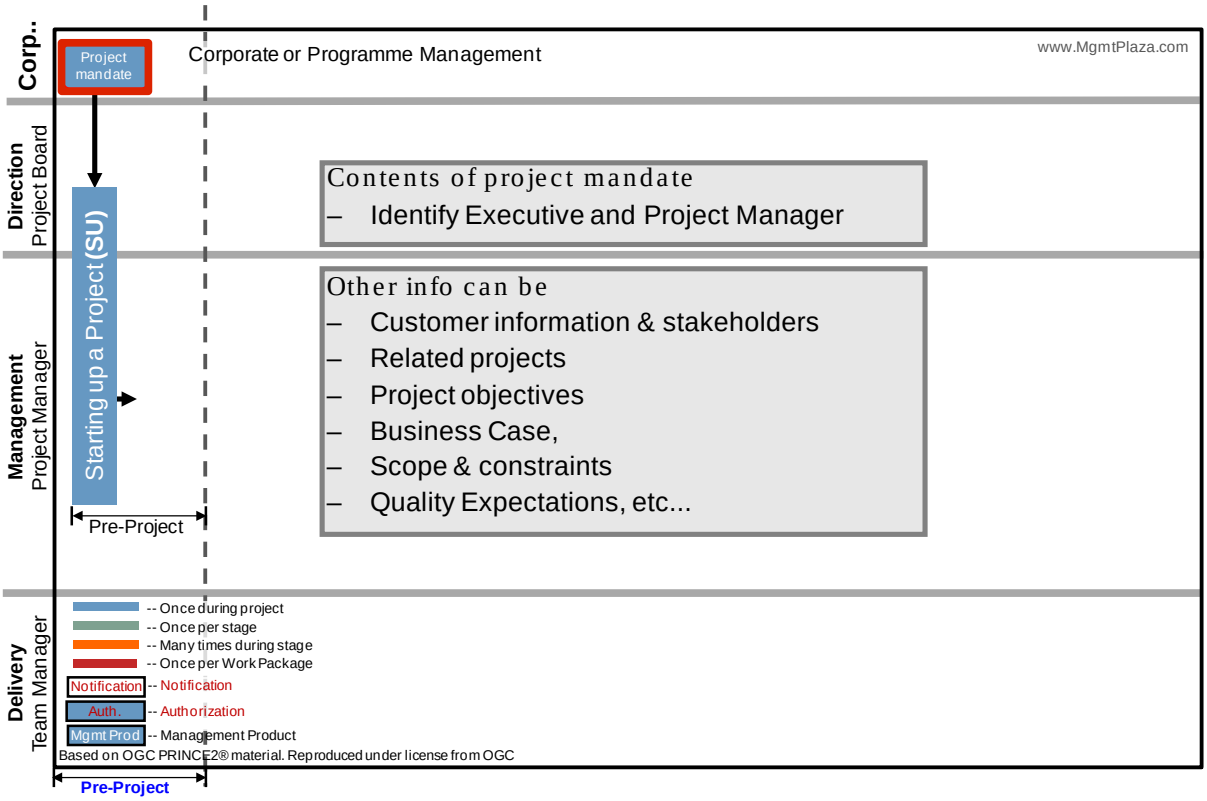

Fig 3.2 Project mandate contents

3.3 SU: Starting Up a Project

3.3.1 Starting Up a Project: Three main deliverables

The Starting up a Project process has three main deliverables:

1. The Project Brief, which includes an outline of the Business Case
2. The Design and Appointing of the Project Management Team
3. The Initiation Stage Plan

The Starting up a Project process can be short. Its goal is to provide a structure to get the project off to a good start; it is made up of six activities:

1. Appoint the Executive and Project Manager
2. Capture Previous Lessons **e.g.:** from other projects
3. Appoint a Project Management Team
4. Create an Outline of the Business Case
5. Select the Project Approach and assemble Project Brief
6. Create a plan for the Initiation Stage

3.3.2 Starting Up a Project Activities

1st Activity: Appoint the Executive and Project Manager

This is done by the Corporate or Programme Management. It makes sure that the best possible persons are selected and all sides have agreed on related responsibilities and job descriptions. The Executive and Project Management will take immediate ownership of the project.

2nd Activity: Capture Previous Lessons

The project must learn from previous projects, other people and other sources. This is a very important point in PRINCE2 and its even one of the seven principles. The Project Manager will add useful lessons / advice to the Lessons Log for use in this project.

3rd Activity: Appoint a Project Management Team

The Project Manager will create the Roles and Responsibility descriptions, including the estimated effort required for each role. The Executive will appoint the persons.

4th Activity: Outline the Business Case

The Executive creates an Outline of the Business Case. The Business Case is a very high-level document and will be expanded later into a full Business Case.

For now, it addresses value for the business, company objectives, and funding & risk information.

Also in this activity, the Project Manager creates the Project Product Description to describe the main output of the project.

5th Activity: Select the Project Approach and assemble Project Brief

The Project Manager examines how best to approach the project, using all available knowledge, and also assembles the Project Brief document. There will be more about this later.

6th Activity: Planning an Initiation Stage

The Project Manager creates a plan for the Initiation Stage, which will be the first stage of the project. This plan will be detailed enough to be used as a day-to-day plan by the Project Manager. It will include information such as objectives, deliverables, cost and time.

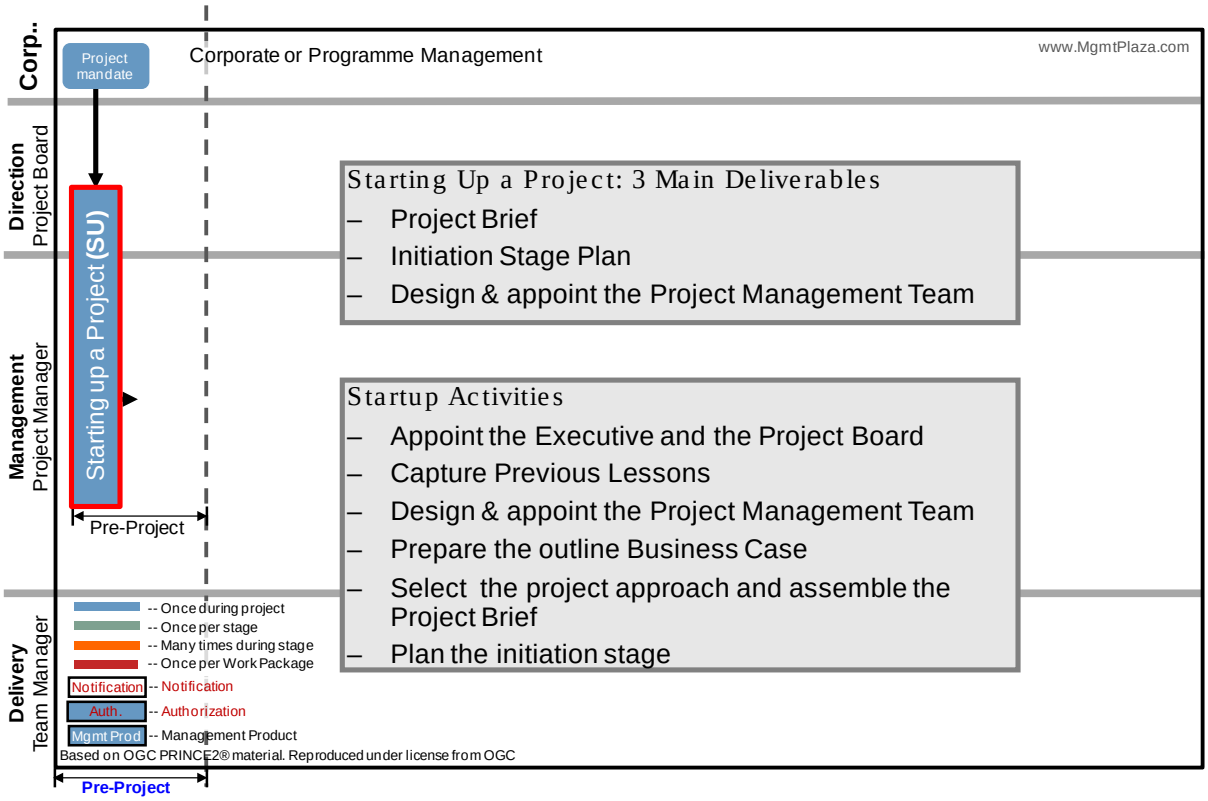

Fig.3.3 Starting up a Project Activities

3.4 SU: Project Approach

The objective of the **Project Approach** is to gather the necessary data that will allow the Project Manager to determine such things as the timescale, the cost of the project, how the project can be controlled and how to manage quality.

This will be done by the Project Manager with a **lot of assistance** from other people, such as experts (also known as “Subject Matter Experts”) who may or may not have been assigned to the project, but have the necessary knowledge.

Project Approach Actions

- The Project Approach will examine how to go about the project by looking at existing information by asking the following questions:
  - Are there similar projects to learn from?
  - What other knowledge and skills are required for the project?
  - What standards are to be used?
  - What are the constraints?
  - What training is required?
  - Should parts of the project be developed in house or outsourced?
  - Should we build from scratch or update an existing product?
  - How will maintenance be done in the future?
- The Project Manager decides on the best approach for the project by looking at all available knowledge.
- The output of the Project Approach will become part of the **Project Brief.**

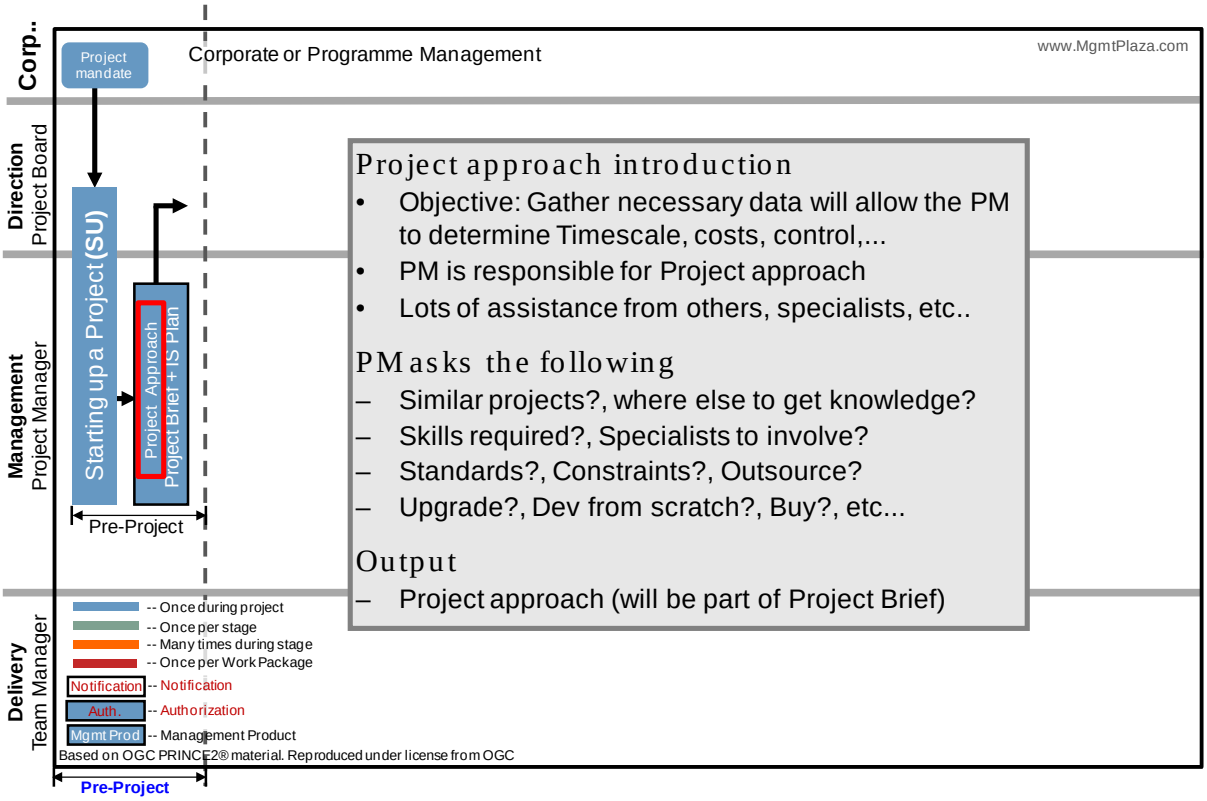

Fig 3.4 Project Approach

3.5 SU: Assemble Project Brief

The Project Brief document is used to provide the necessary information to the Project Board. It is used to decide if the project will proceed to the next stage, which is the Initiation Stage. The Project Manager assembles the Project Brief using the information already gathered during the Starting up a Project process.

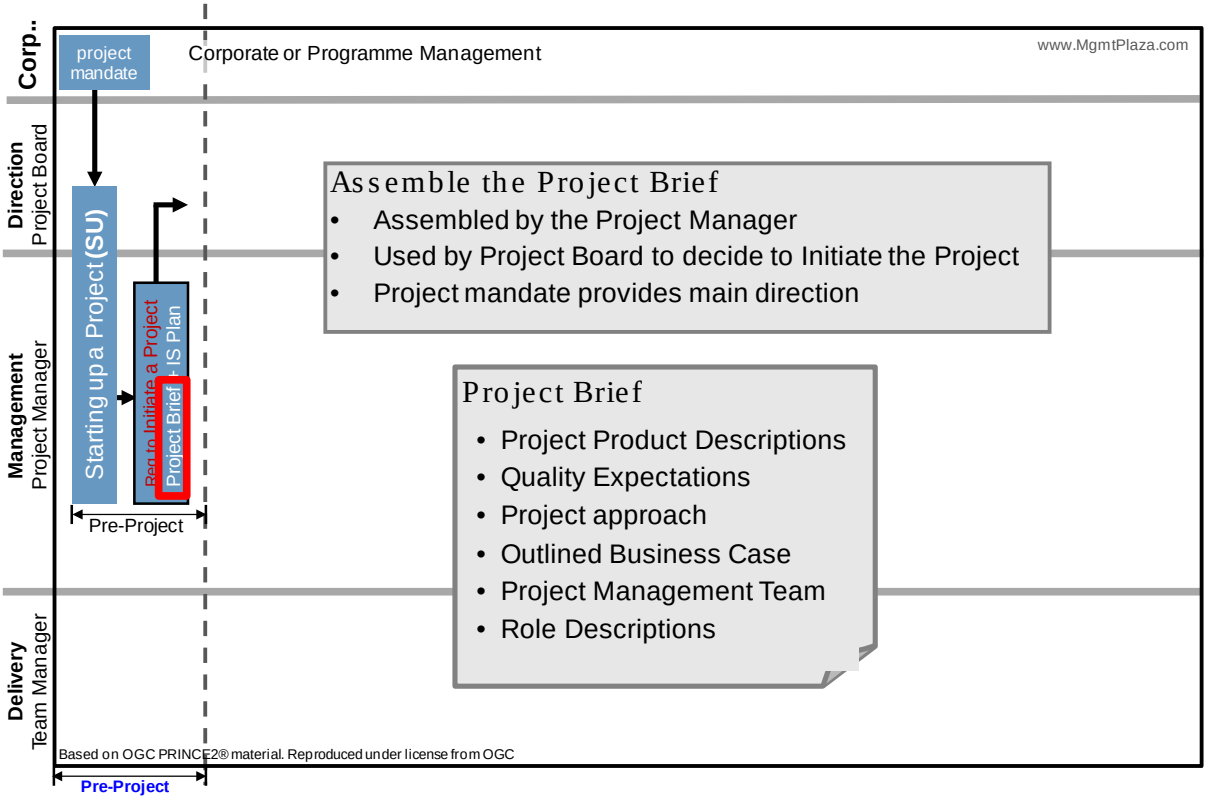

Fig 3.5 Project Brief

The information in the project mandate document provides the main guidance and direction for the Project Brief.

Project Brief Contents

The Project Brief contains the following information:

1. **Project definition,** which includes:
   - The background, project objectives, project scope, tolerances, risks, desired outcomes, users who have interest in the project.
   - The project objectives (which is the desired outcome) and the project scope is taken from the project mandate document and updated.
2. A detailed Project Product description, which includes quality expectations
3. Outline of the Business Case, which includes a summary of the known risks
4. The Project Approach
5. Overview of Team Structure and Role Descriptions

As you can see, the Project Board will already have quite a significant amount of information about the project when they receive a copy of the Project Brief.

3.6 SU: Plan the Initiation Stage

3.6.1 Plan the Initiation Stage Tasks

Plan the Initiation Stage is the last activity in the Starting up a Project processes. It is time for a question: What do you think is the main difference between the Starting up a Project Process and the Initiation Process?

The Starting up a Project process is the first check to see if there is a business reason to the project, while the Initiation Stage will plan the project.

PRINCE2 recommends the following tasks in this activity “Plan the Initiation Stage”:

1. Define Reporting and Control Arrangements for the Initiation stage
2. Produce **Stage Plan,** and include time and cost data
3. Review the Risks in the Daily Log to assess their impact on the Initiation Stage

The **Stage Plan** is created by the Project Manager, reviewed by the Senior User, and approved by the Executive.

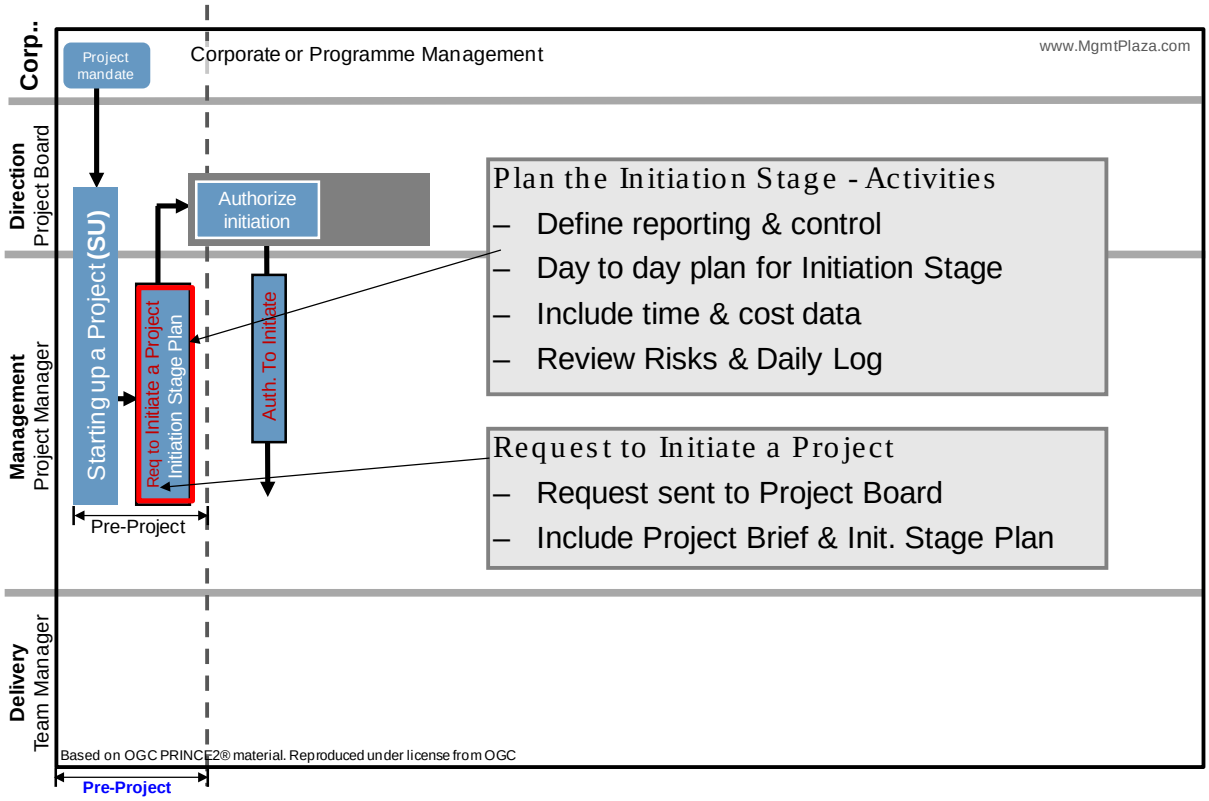

Fig 3.6 Initiation Stage Activities

3.6.2 Request to Initiate a Project

Once the Project Brief and Initiation Stage plan are ready, the Project Manager will ask the Project Board if they can continue to the Initiation Stage. The name that PRINCE2 gives to this request is “**Request to initiate a project**”.

A lot of activities are done here in this Starting up a Project process, but if the command to start the project came from a programme, then most of the Project Brief information would already be provided by the programme. So the only activity in the Starting up a Project process would be to create the Initiation Stage Plan.

As you can see from the diagram (Fig 3.5 Initiation Stage Activities), all documents and the Request to proceed are sent to the Project Board activity “**Authorize initiation**”.

3.6.3 DP: Authorize initiation

The activity Authorize initiation is the first activity for the Project Board and is the first decision (also called a “Control Point”) they have to take.

The Project Board will review the Project Brief and the Initiation Stage plan, and they will check if there is a business case and if the project is worth doing for the organization. So they will look for the following information:

- Project objectives and the project scope
- The project product description (this is important for the Senior User)
- Outline of the Business Case

- Overview of known risks
- The Project Approach
- Overview of team structure and role descriptions
- Initiation Stage Plan (deliverables, cost, risks)

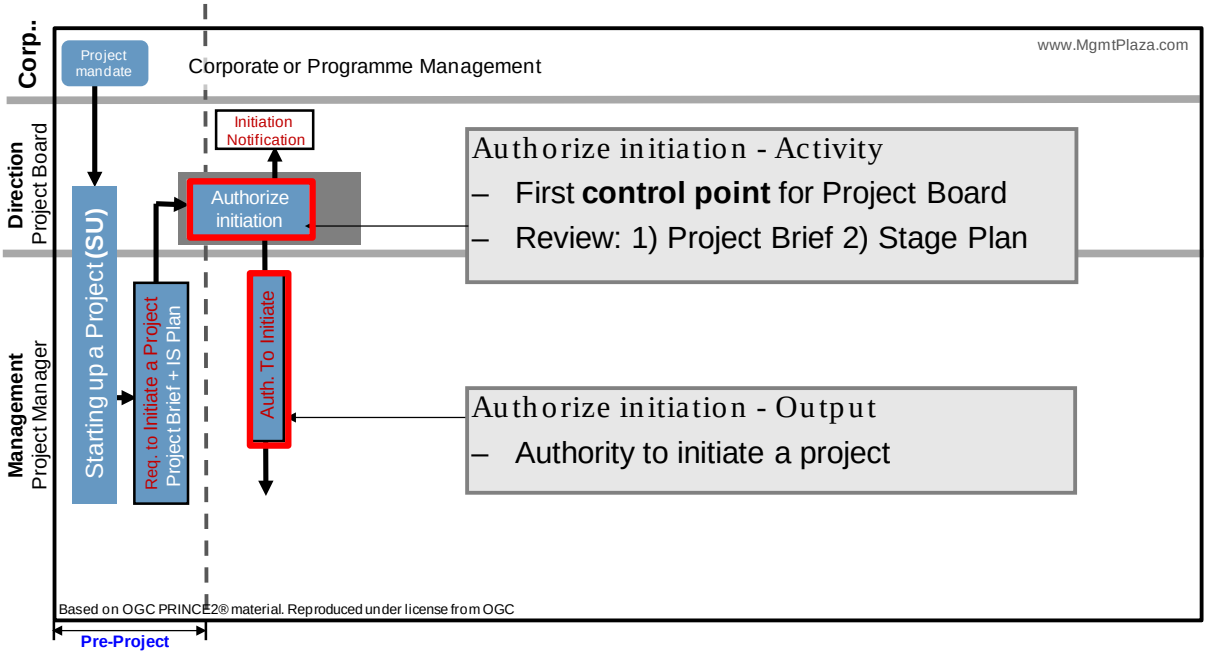

Fig 3.7 Authorize initiation

If all looks OK and they wish to continue, then they will issue an authorization, which is called "Authority to Initiate a Project" so the project can continue to the Initiation Stage.

3.7 IP: Initiation Stage

3.7.1 Initiating a Project Process introduction

In the above heading, I have used the terms "Initiation Stage" and "Initiating a Project process." This can be a bit confusing, so let me explain.

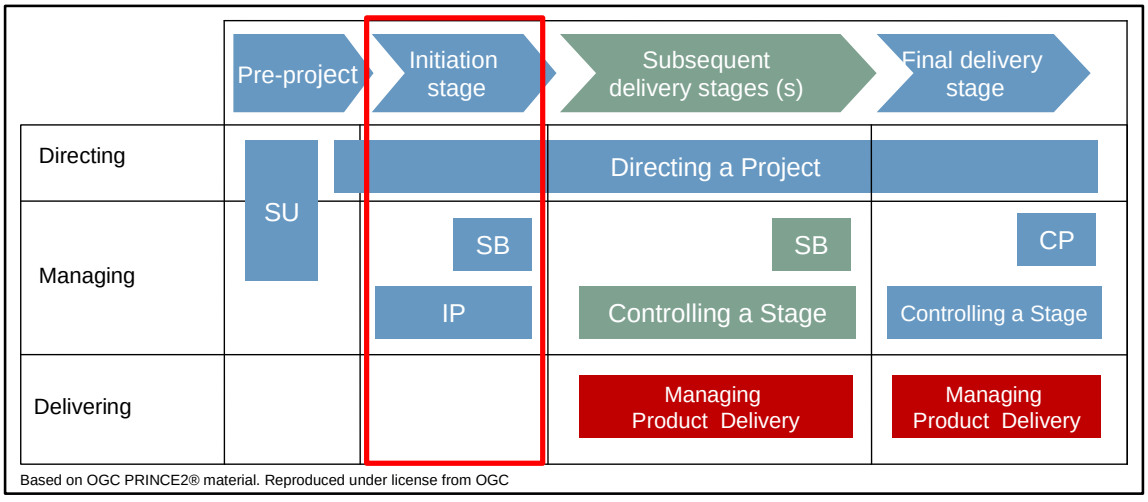

Fig 3.8 Initiation Stage

- Initiating a Project process refers just to the process "Initiating a Project."
- Initiation Stage is bigger and refers to all the work that has to be done in the Initiation process and the first Managing a Stage Boundary process.

As you can see from the diagram (figure 3.6), the Initiating a Project (or IP) process is triggered by the Project Board. This IP process is usually short, especially when compared to the rest of the

project. But it is perhaps the most important stage, as it describes what has to be done by the project and therefore should not be rushed.

The purpose of the IP process is to understand the work that needs to be done to deliver the required products and to produce the project plan. So there are a number of good questions to ask about the project and these are the most common:

- What are the reasons for doing the project, the **benefits** and **risks**?
- The **scope** – what is to be done and not to be done?
- When can products be delivered?
- How to ensure that quality will be achieved?
- How risks, issues and changes will be identified and followed up?
- How PRINCE2 will be tailored to suit the project?

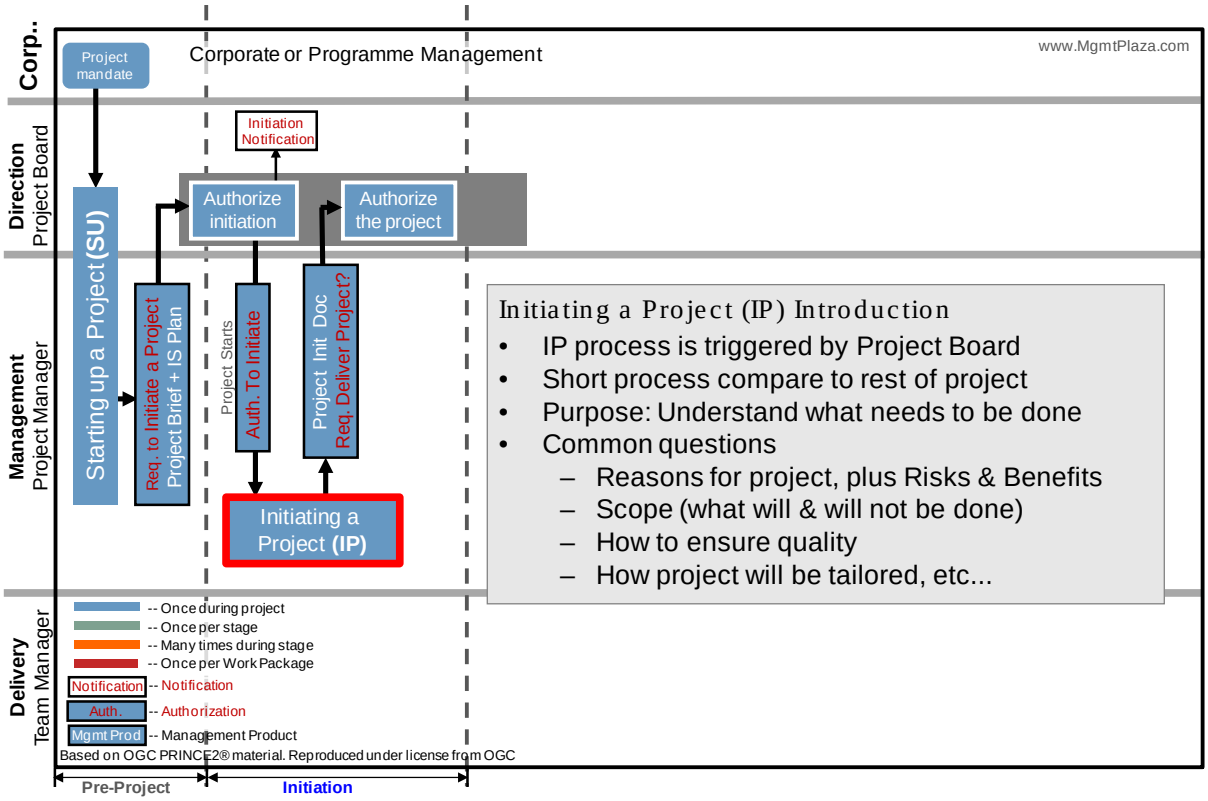

Fig 3.9 Initiating a Project

3.7.2 Initiating a Project Process – 8 Activities

What do you think the eight activities are?

Here is a good way to remember: First the creation of the four strategy documents, the Project Control, Project Plan and Business Case and lastly, assemble the PID. I will list the activities and comment on each of these.

1. Prepare the Risk Management Strategy
   - This will define how to manage risk during the project.
2. Prepare the Configuration Management Strategy
   - This will define how to manage the products produced during the project.
3. Prepare the Quality Management Strategy
   - This will define how to ensure quality during the project.
4. Prepare the Communication Management Strategy
   - This will define how and when the project will communicate to stakeholders.

5. Set Up Project Controls
   - This will define how the Project Board can control the project and how the Project Manager can control the work done by the teams.
6. Create the Project Plan
   - This covers cost, timescale, risks, quality plan and deliverables.
7. Refine the Business Case
   - This means to complete the Business Case document.
8. Assemble the Project Initiation Documentation
   - This is to collect and assemble documents and information from the documents created so far in the SU and IP processes.

The very last thing a Project Manager will do in the Initiation process is to send a request to the Project Board. This is a request to **Deliver the Project.**

3.8 IP: Project Initiation Documentation (PID)

3.8.1 Project Initiation Documentation

The Project Initiation Documentation becomes a common understanding for all points related to the project. It provides a solid base for the project, makes all parties clear about what the project is intended to achieve and the responsibilities. So this provides the what, why, who, how, when and cost of the project

The documentation provides the necessary information for the Project Board to decide to continue with the project. If the project proceeds, then the Project Initiation Documentation will be baselined, meaning it will be dated (time-stamped) so that it can be used in the future to check project performance compared to the original forecasts.

The last task done by the Project Manager in the Initiation Stage is to request to **Deliver a Project**; this request is sent to the Project Board.

3.8.2 Project Initiation Documentation Contents

The Project Initiation Documentation is a collection of most of the documents produced so far in both the SU and IP processes.

- First of all, we have the project approach and project definition, which contains a lot of information about the project and is extracted from the Project Brief.
- The Project Management Team Structure, which includes the Roles Descriptions.
- The Business Case, which includes time and cost information from the project plan.
- The four management strategy documents, which are Quality, Configuration Management, Risk and Communications.
- The Project Plan, which contains information on timescale, cost, resource requirements, products that will be produced, risks, tolerances, controls and quality.
- The Project Controls document, which describes how the project will be monitored and controlled, tolerances between the different management levels, and the number of stages.
- How PRINCE2 was tailored to suit the project.

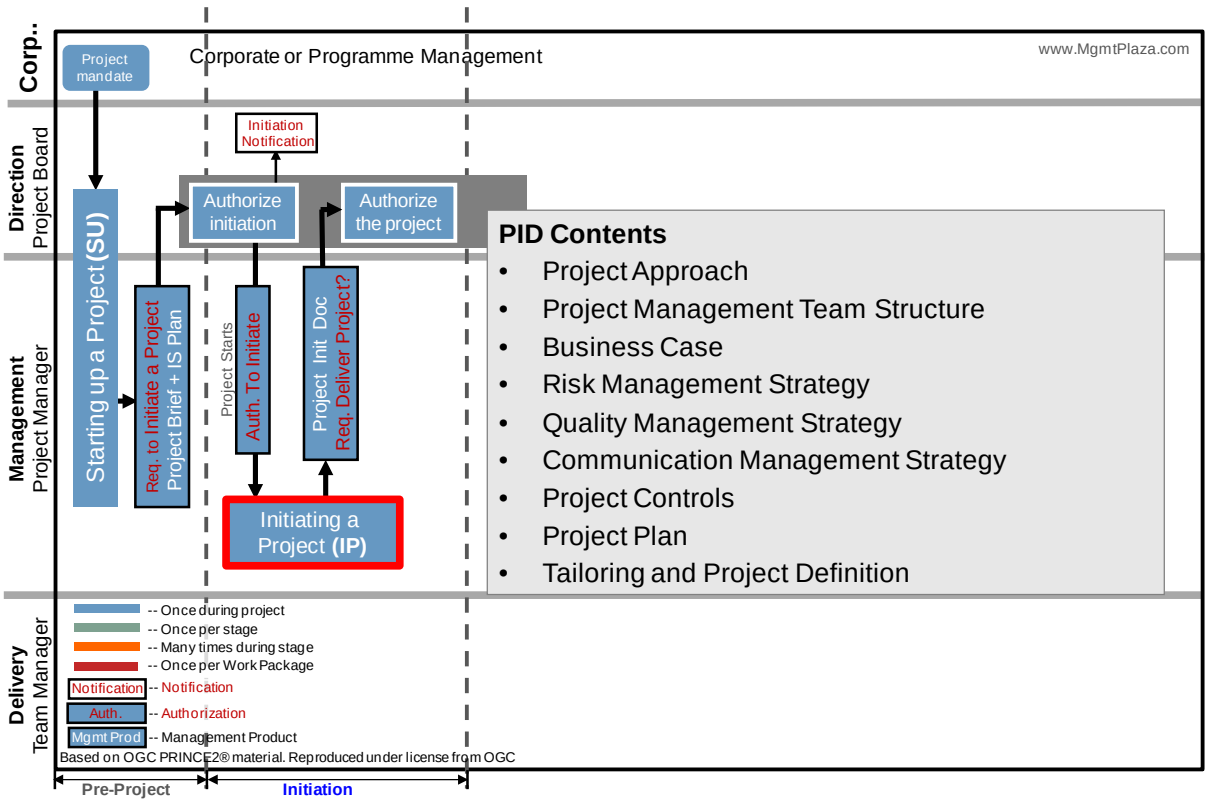

Fig 3.10 PID Contents

3.9 SB: Managing a Stage Boundary after the Initiation Stage

This is the first Managing a Stage Boundary process and it is normally performed after each Controlling a Stage process or each stage.

The objectives for the Managing a Stage Boundary process are:

- To assure the Project Board that all products in the Stage are produced and approved.
- If it is a large project you can create Lessons Report from the lessons log. This is optional.
- Create the End Stage Report, to show what has been completed in the current stage compared to the Stage Plan.
- Create the Next Stage Plan.

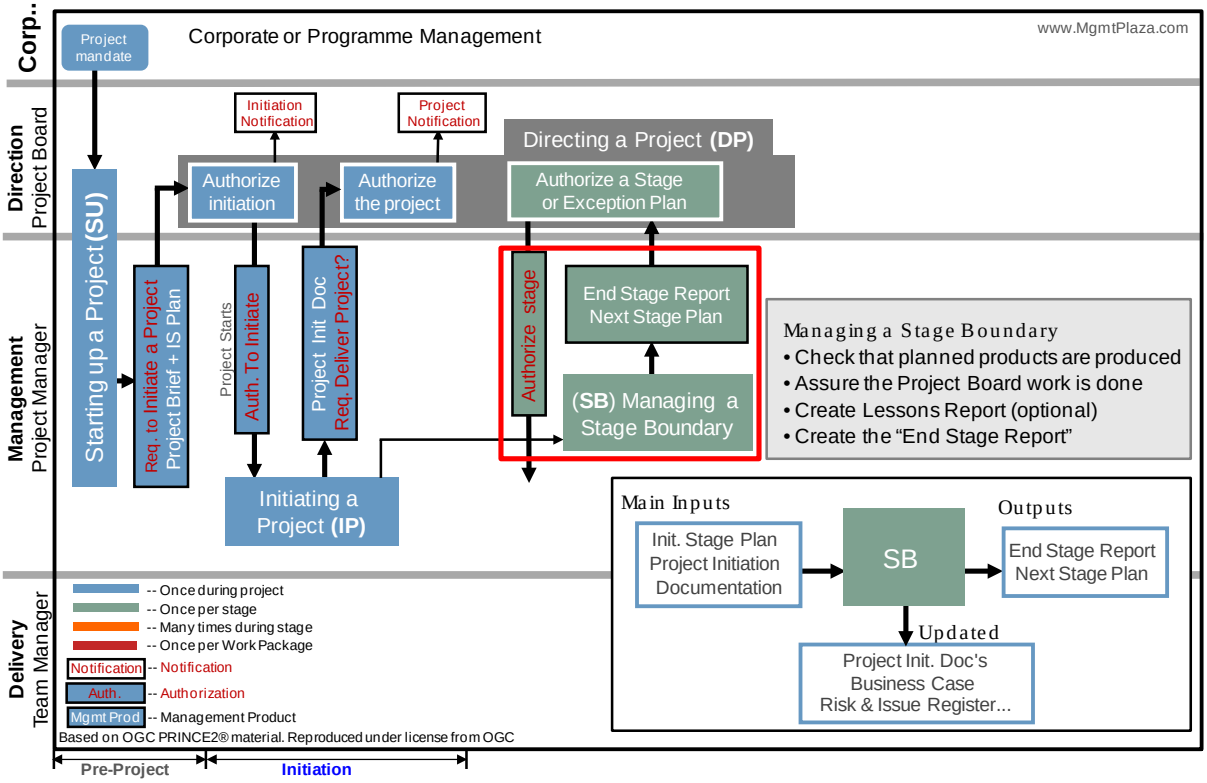

Fig 3.11 Managing a Stage Boundary process after IP

Inputs:

The main inputs are:

- the Project Initiation Documentation to compare with Initiation Stage Plan
- the Initiation Stage Plan
- and of course, all the register files (Quality, Issue, Risk)

Outputs:

The Stage Boundary's outputs are:

- the End Stage Report (a report on the stage just completed, the Initiation Stage)
- the Next Stage Plan

3.10 DP: Authorize the project

Authorize the project is the 2nd control point and 2nd Activity for the Project Board. The end of the Initiation Stage is the trigger for the "Authorize the project" activity. The Project Board confirms the project's objectives and the scope is clearly defined and understood. They can decide to stop the project, ask for further information, or give authorization for the project to continue.

The "Authorize the project" activity has the following input and outputs:

Inputs

- Project Initiation documentation
- Request to Deliver a Project

Outputs:

As you can see in the diagram, there is one authorization, one approval and one notification

- Authorization : Authorize the Project so the project can start
- Approval : Approve the Project Initiation Documentation
- Notification : To the Corporate or Programme Management that the project has started

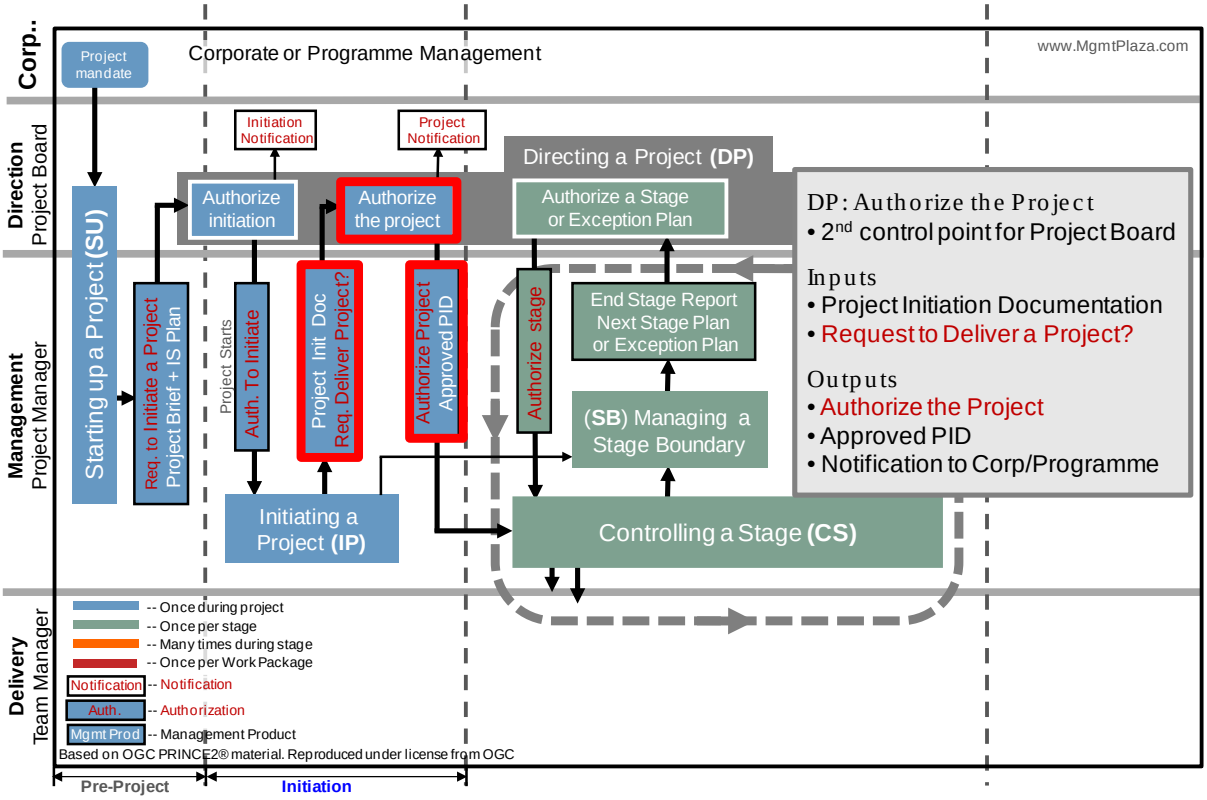

Fig 3.12 DP: Authorize the project

3.11 CS: Controlling a Stage

The process Controlling a Stage is where the Project Manager does most of their day-to-day work. As mentioned before, all items in green happen once during a stage and a project can have many stages. You can also see that most of the activity in the Controlling a Stage process happens in the Management Level.

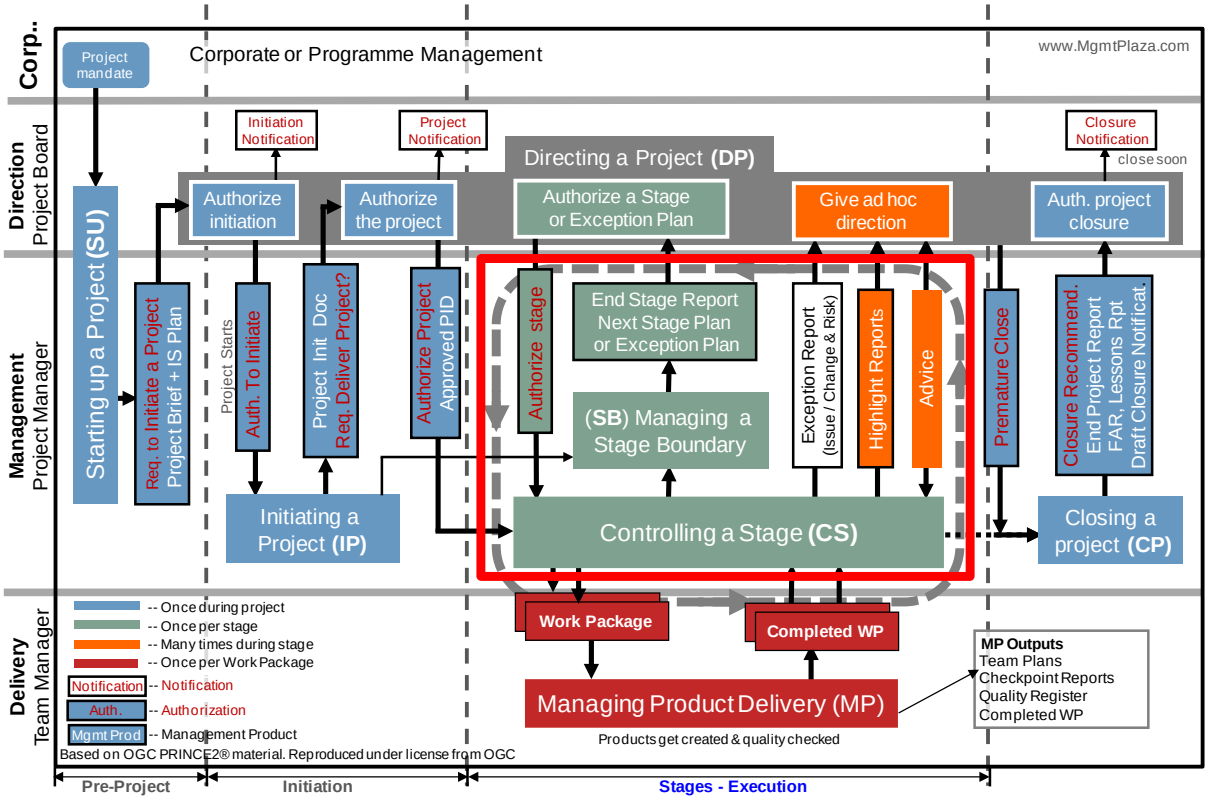

Fig 3.13 Controlling a Stage

The trigger for the “Controlling a Stage” process comes always from the Project Board Activity “**Authorize a Stage or Exception Plan**.”

Each Controlling a Stage process ends by triggering the process “Managing a Stage Boundary,” expect for the last stage, which most of the time is directly followed by the Closing a Project process.

Next, I will describe the relationship between Controlling a Stage and Managing Product Delivery, and the activity **Authorize a Stage or Exception Plan**.

3.12 CS: Controlling a Stage / Managing Product Delivery

3.12.1 Assign Work to Teams using Work Packages

The Project Manager allocates Work Packages to the Team Leaders. A Work Package contains information on one or more products to be developed, which includes such information as product descriptions, planning data, and constraints. This becomes the agreement between the Project Manager and the Team Leader.

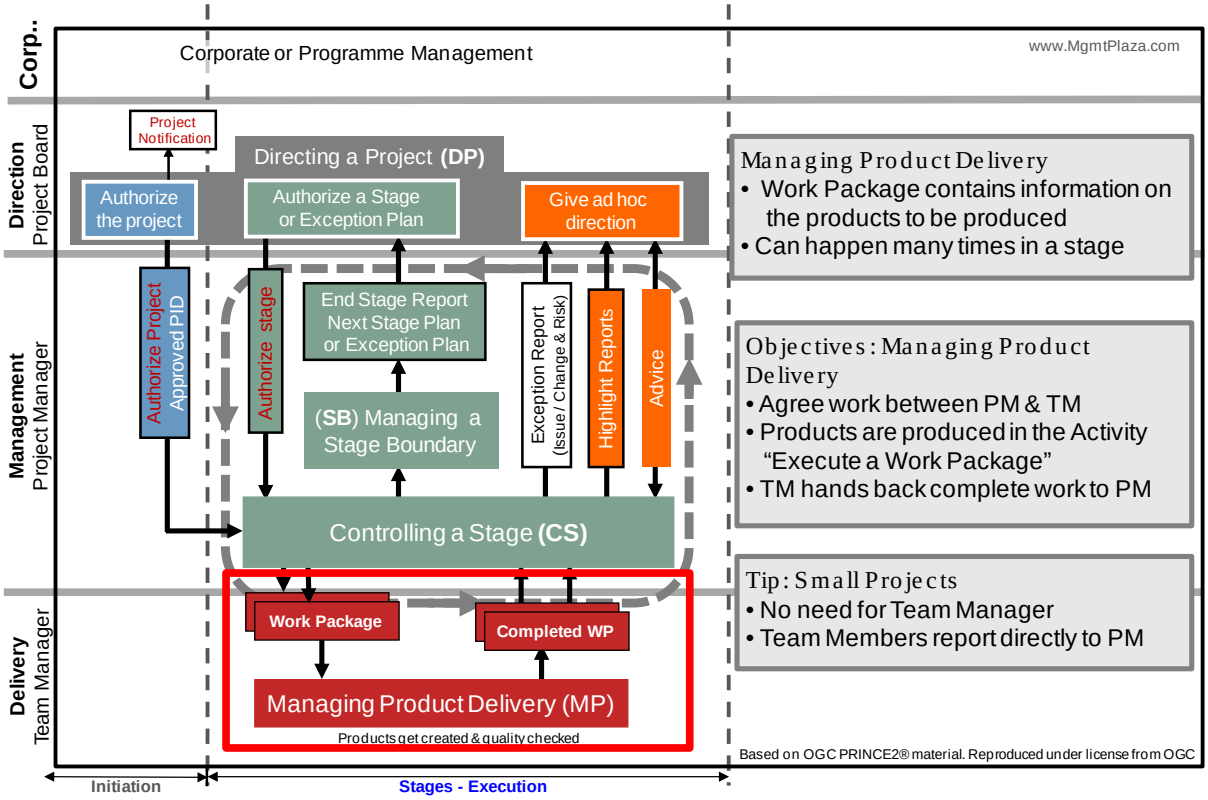

Fig 3.14 Managing Product Delivery

The activity "Authorize a Work Package" can happen many times during a single "Controlling a Stage" process. Other tasks for the Project Manager during the Controlling a Stage process are to Manage Quality, Manage Changes, Monitor Risks, Taking Corrective action, Reporting and Communication.

3.12.2 Managing Product Delivery Objectives

The objectives of Managing Product Delivery are to:

- Agree on the details of the work to be done between the Project Manager and Team Leader, and make sure that the Team Leader understands what they need to deliver.
- Do the Work: meaning the Team Manager manages the development of the products and takes the necessary steps to ensure quality for each product.
- Provide regular progress information to the Project Manager using Checkpoint Reports.
- Handing back the completed work to the Project Manager and obtaining approval for each product after the work is done and quality has been checked.

Tip: For small projects, the team **members** (who do the work) will work directly for the Project Manager, so there will be no need for a Team Manager and this process will be less formal.

3.13 MP: Managing Product Delivery: Outputs

The Managing Product Delivery process can have four outputs, which are: The Team Plan, The Checkpoint Reports, the Quality Register and Completed Work Packages.

- **Team Plan**: This plan is prepared by the Team Manager in the activity "Accept a Work Package" and is used to plan the work that will be carried out by the team members.
- **Checkpoint Reports**: These are reports from the Regular Team Meetings led by the Team Manager and are given to the Project Manager.
- **Quality Register**: The Quality Register is updated as each product is tested after development by the testers. The Quality Register is also used by the Project Manager to check on progress.
- **Completed Work Package**: This is the name given to the group of completed products that are handed back to the Project Manager.

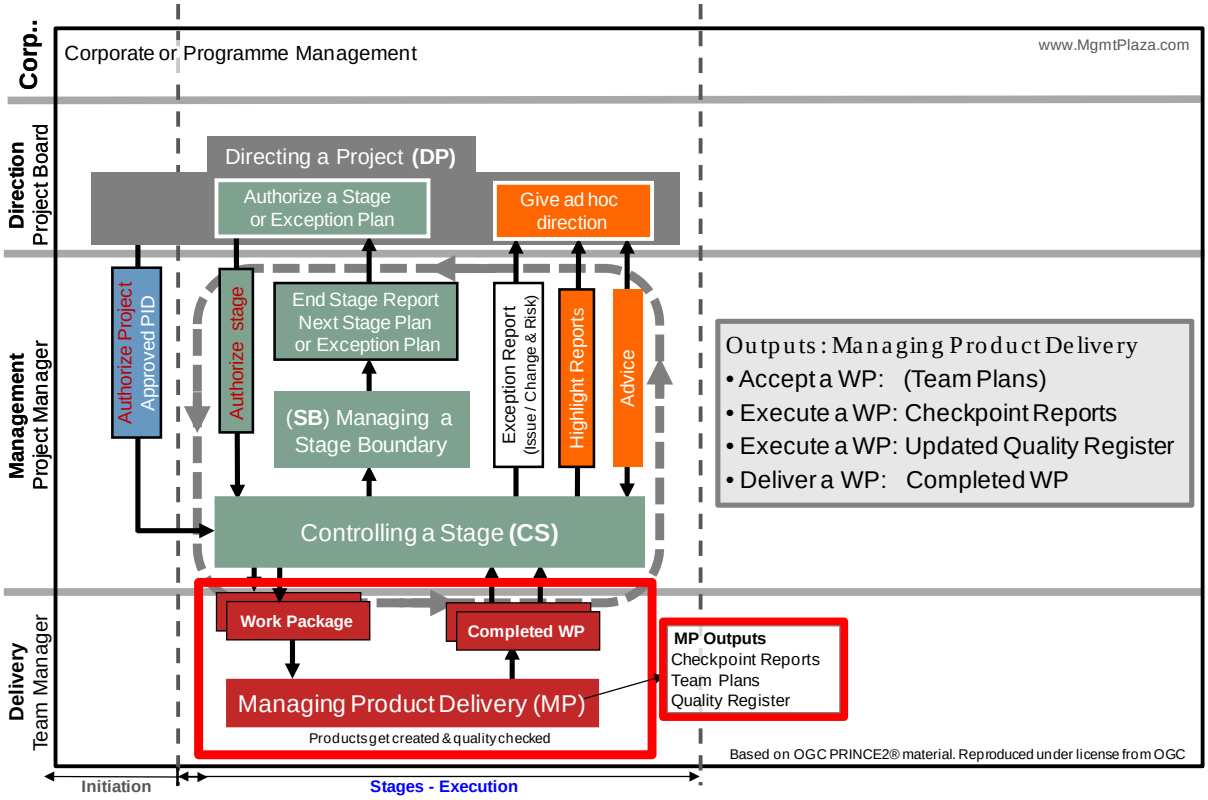

Fig 3.15 Managing Product Delivery outputs

3.14 CS: Controlling a Stage – Give *ad hoc* direction

The Controlling a Stage process has two main outputs, which are inputs to the Project Board Activity "**Give *ad hoc* direction.**" These are the **Highlight Report** and the **Exception Report**. There is also one input from the **Give *ad hoc* direction** activity, which is "Guidance and Advice." Here is a bit more about these.

The Highlight Report

- This is a regular report on the stage progress. It is created by the Project Manager and sent to the Project Board on a time-driven frequency, **e.g.:** every two weeks.
- The report provides a summary of the stage versus the stage plan, and also information on tolerances, potential issues, products completed, next work packages and corrective actions.

The Exception Report

- This report is only created if the current stage will not finish according to the plan and within tolerances, so the Project Manager must alert the Project Board.
- The Exception Report provides an overview of why the stage will most likely go out of tolerance, and then includes different options to get the project back on track. It also assesses the impact on the business case, as this issue will most likely increase the cost of the project.

- The Project Manager recommends one of the options in the Exception Report to the Project Board

Note: If the Project Board agrees with the Exception Report (if they agree with the recommended options or one of the other options), they will request an **Exception Plan,** which will replace the current Stage Plan and therefore allow the Project Manager to complete the current stage.

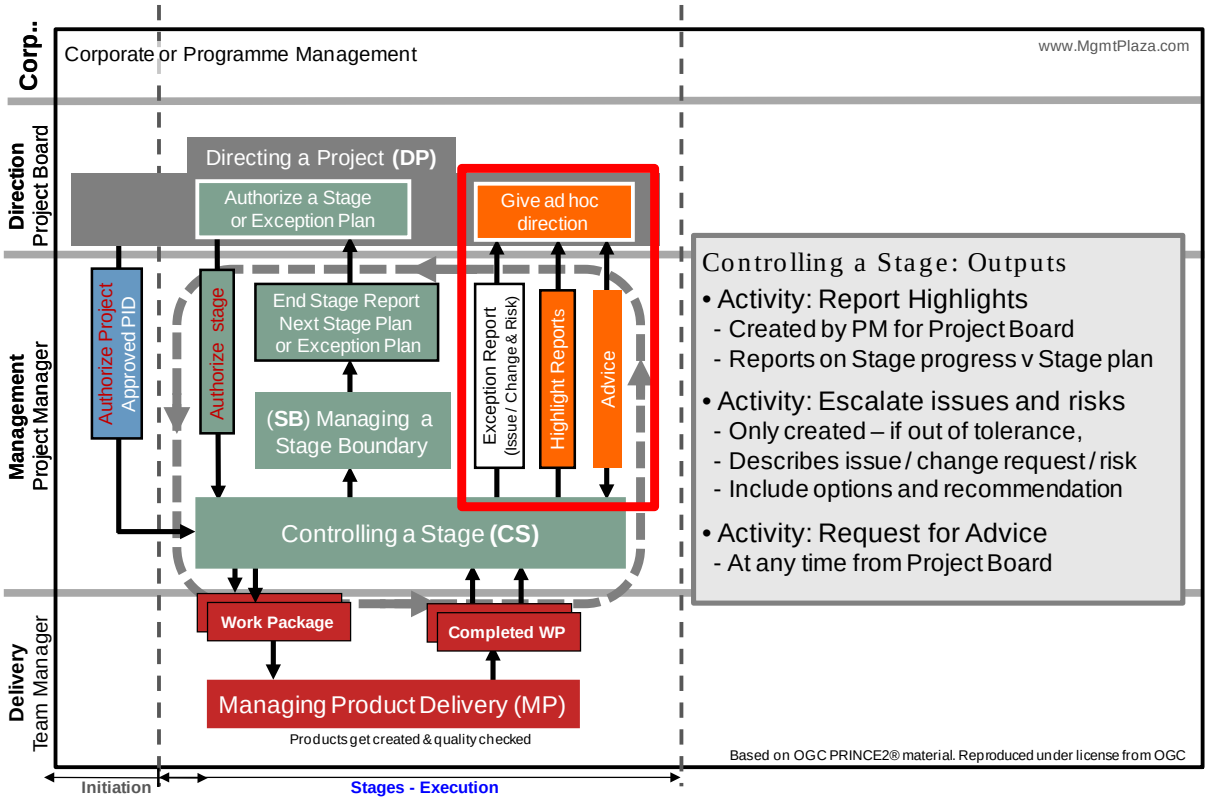

Fig 3.16 Controlling a Stage outputs

Guidance and Advice

- The project board can provide guidance and advice at any time during the project.
- This can also be an answer to an issue/question that was perhaps raised by the Project Manager in the Highlight Report.

3.15 CS: Project Manager Day to day activities

Before we move to the Managing a Stage Boundary process, let us look at the different activities that are done by the Project Manager in the Controlling a Stage process.

There are eight activities in the Controlling a Stage process. They are divided into three parts that also describe what the Project Manager does:

1. Deal with Work Packages
2. Do Monitoring and Reporting
3. Deal with Issues

- The Work Package activities are:
  - **Authorize a Work Package** – meaning assign and agree with the Team Manager so that the Team Manager knows what to do and can create their team plan.
  - **Review Work Package Status** – check on work package progress, so read Checkpoint reports and check the Quality Register.
  - **Receive Completed Work Packages** – which is to receive the completed products back from the Team Manager and confirm that they have been quality-checked and stored, as described in the configuration management document.

- The Monitoring and Reporting activities are:
  - **Review the stage status** – Continually compare the stage status to the stage plan – checking if the stage is still on track and if anything is likely to affect this.
  - **Report Highlights** – Create Regular reports to the Project Board to let them know how well the stage is going according to the plan.

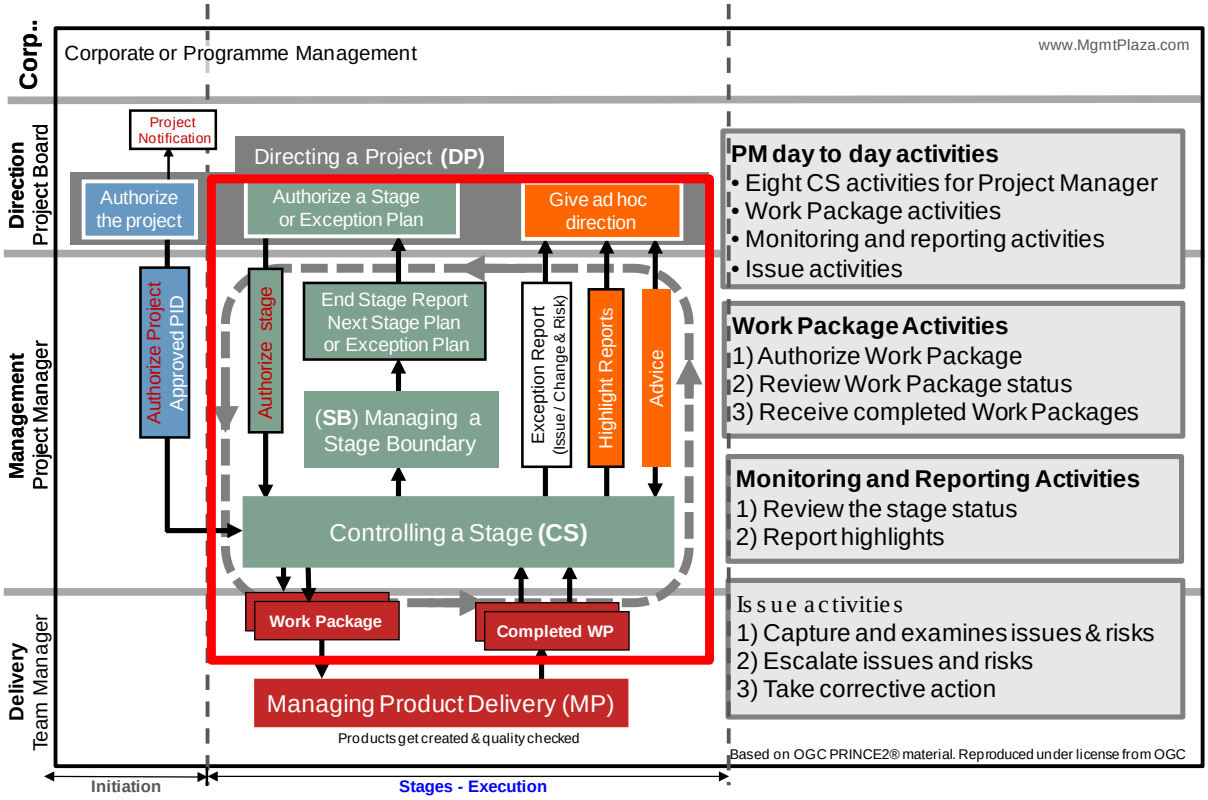

Fig 3.17 CS: Project Manager day-to-day activities

- The Issue activities are:
  - **Capture and examine issues and risks:** Any person can raise an issue and the Project Manager must gather and review them. Reviewing also includes categorizing and assessing the impact of each issue.
  - **Escalate issues and risks:** If there are issues to report or if the stage is expected to go out of tolerance, then create an Exception Report and send it to the Project Board.
  - **Take corrective action:** Normally, Taking Corrective Action is used when extra work has to be done to solve an issue and the stage can stay within tolerance.

As you can see, we have already covered four of these in the previous slides. One final comment: These activities can be done numerous times by the Project Manager and there is no set order.

3.16 SB: Managing a Stage Boundary

3.16.1 Managing a Stage Boundary and Objectives

The Managing a Stage Boundary process provides information to the Project Board about the current status of the project at the end of **each** stage. This process happens after all the work in the current **stage plan** has been completed and before the next stage can begin.

The Stage Boundary Objectives

The objectives of the “Managing a Stage Boundary” process are:

- To confirm to the Project Board which products have been produced in the current stage as documented in the stage plan, and also update the Project Plan to show what has been done so far and forecast the planning for the next stage.

- So you see, the Project Plan is a living document (kept up to date)

- To provide the Project Board with information so they can:
  - Assess the viability of the project – meaning checking that it still worth doing
  - Approve Stage Completion – which is to approve the stage (that was just done) and
  - Authorize the start of the Next Stage

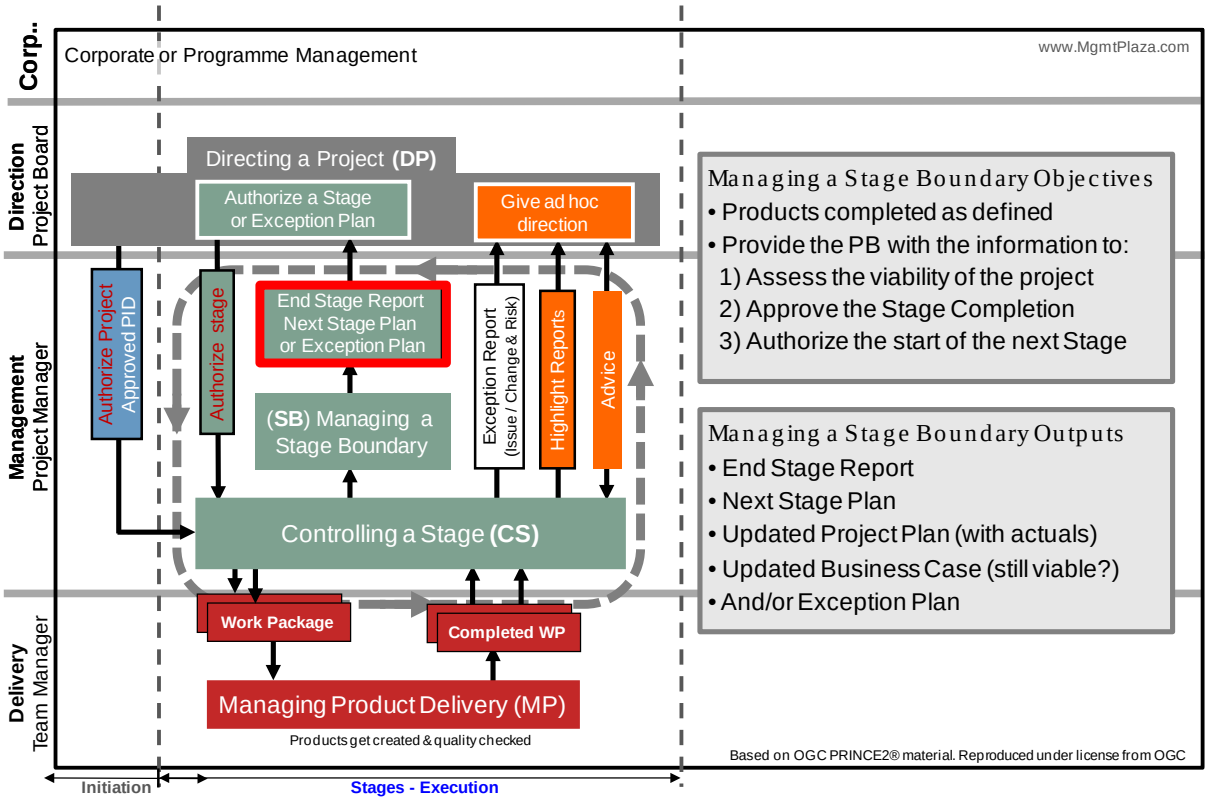

Fig 3.18 Managing a Stage Boundary objectives and outputs

It is also necessary to record any information or lessons that can help in later stages of the project or other projects and update what we refer to as the dynamic documents, such as Business Case, Risk Register, Issue Register and the Project Plan.

If the stage is expected to go out of tolerance then create an **Exception Plan** and give it to the Project Board.

3.16.2 Managing a Stage Boundary Outputs

The main outputs of Managing a Stage Boundary are the **End Stage Report**, the **Next Stage Plan** and the update to the **Project Plan** and **Business Case.** And as you now know, the **Exception Plan** will be created instead of the Next Stage Plan.

I will now briefly explain these:

- **The End Stage Report** provides a detailed report on the results of the current stage by comparing the performance of the stage to the original stage plan used at the beginning of the stage.
- **The Next Stage Plan** is a detailed day-to-day plan for the next stage and needs to be approved by the Project Board.
- The stage plan for next stage is created near the end of the current stage, so this means that the Managing a Stage Boundary process starts before the end of the Controlling a Stage process.
- **The Project Plan** is updated to incorporate the actual progress from the current stage, and it should also include the forecast planning for the next stage and should update time and cost data.

- **The Business Case**: The end of each stage is a good time to update the Business Case and check if the project is still viable and worth doing. The Project Board is also interested to know that the benefits of the project can still be realized within the agreed parameters, which are time, cost, quality, risk and scope.
- **The Exception Plan**: This plan is created only when the current stage goes beyond its tolerance level (**e.g.:** taking 15% longer than planned), and the Project Manager must therefore get authorization to complete the current stage.

3.17 DP: Authorize a Stage or Exception Plan

3.17.1 Authorize a Stage or Exception plan

The Authorize a Stage or Exception plan activity is another important control point for the Project Board. They will review the data provided by the Project Manager and decide if the project should continue to the next stage.

The Project Board will therefore do the following:

- Compare results of current stage against stage plan
- Check performance of project to date (they can use the baselined project plan for this).
- Evaluate the next stage plan
- Check the risk summary
- Review the Business Case (they will check if the Business Case is still valid).
- Check that lessons are being learned and that they are used in future stages.
- And lastly, they can choose to give approval for the next Stage Plan. This is the Authorization for the next stage to begin or approve the Exception Plan.

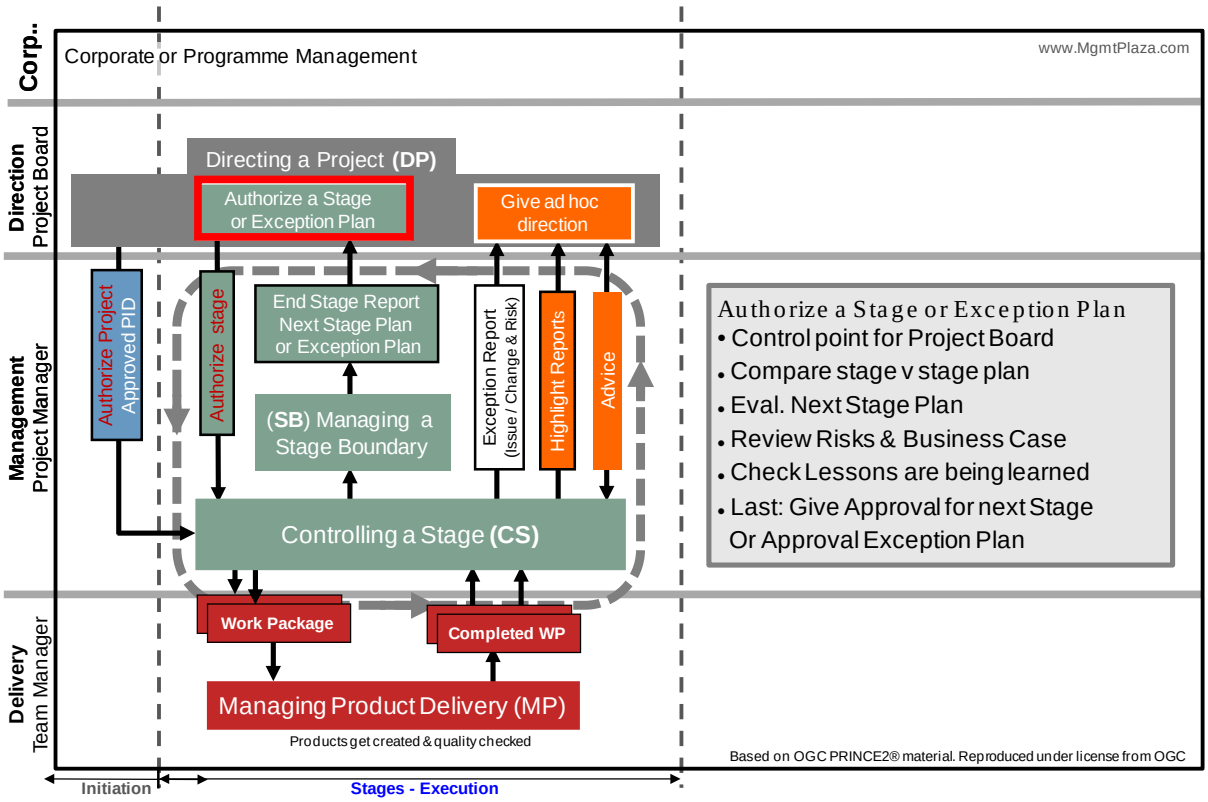

Fig 3.19 Authorize a Stage or Exception Plan

Tip: Smaller Projects
For smaller projects, this process can be a lot less formal. Example: The Project Manager can arrange a meeting with the Executive and the above activities will be carried out during the meeting.

3.17.2 Exception Plans - Authorize a Stage or Exception Plan Activity

If the plan submitted to the Project Board is an **Exception Plan** and not a Next Stage Plan, then the Project Board will do the normal tasks in the "Authorize a Stage or Exception Plan" activity, but **the plan** they will approve will be the **Exception Plan** if they wish for the current stage to be completed. The Project Manager can then go back and complete the current stage.

3.17.3 Last Controlling a Stage Process

Normally the project would continue to the next stage and this cycle would continue until all stages have been completed and the necessary products have been produced.

So let us assume that we have done a number of stages and the project will go from Controlling a Stage to the Closing a Project process, as the Managing a Stage Boundary process is normally not used at the end of the last stage (except if an Exception Plan needs to be created).

3.18 CP: Closing a Project: Introduction and Objectives

3.18.1 Closing a Project and Premature Close

Normally a Project closes after all the products have been produced and delivered. The Closing a Project process becomes part of the last stage and the Project Manager will take the necessary action to prepare for project closure, but only the Project Board can actually close a project.

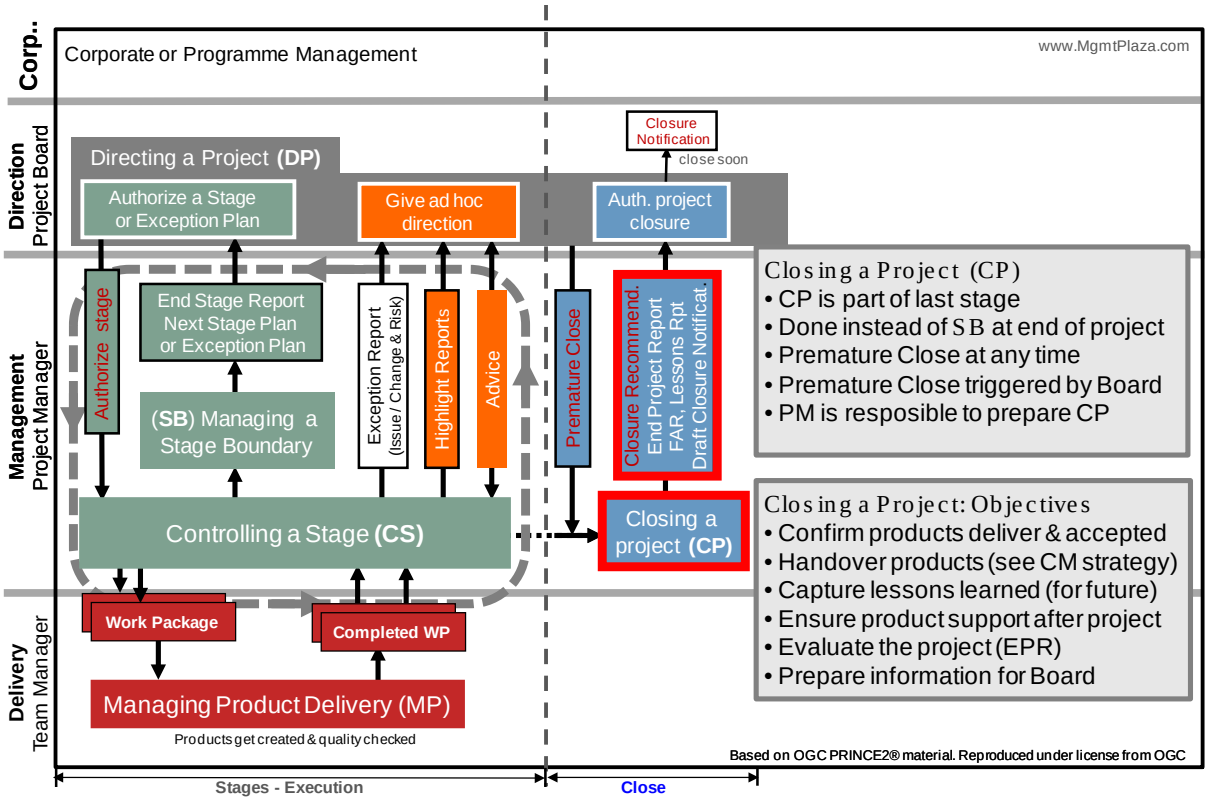

Fig 3.20 Closing a Project

It's also important to note that the Project Board can decide to shut down the project before its expected end. This is referred to as a **Premature Close.** This can happen at any time during the project. For instance, the project board might see that the business case is no longer valid, as the market price for such a product has reduced by 30% or there has been a change in government legislation that would reduce the future lifetime of the product.

A clear project end is necessary to avoid wasted resources and not allow the project to drag on. It also provides the opportunity for the Project Board to review the project against the Initial Project Plan.

3.18.2 Closing a Project Objectives

The Project Manager carries out the work in Closing a Project, and the objectives are:

- Check that all required products have been delivered and accepted.
- Capture lessons learned in the Lesson Report, as this can be valuable for future projects.
- Ensure that the products can be supported after the project is disbanded.
- Hand over products to the customer, as described in the Configuration Management Strategy document.
- Evaluate the project by comparing project objectives with actuals, and write the End Project Report.
- Assess the benefits already realized and plan a review of benefits that will be realized after the project is complete.

3.19 CP: Closing a Project Outputs

3.19.1 Closing a Project Outputs

The Closing a Project diagram shows that the Project Manager provides some **documents** to the Project Board and other documents to the Operations/Maintenance group who will support the products once the Project is complete.

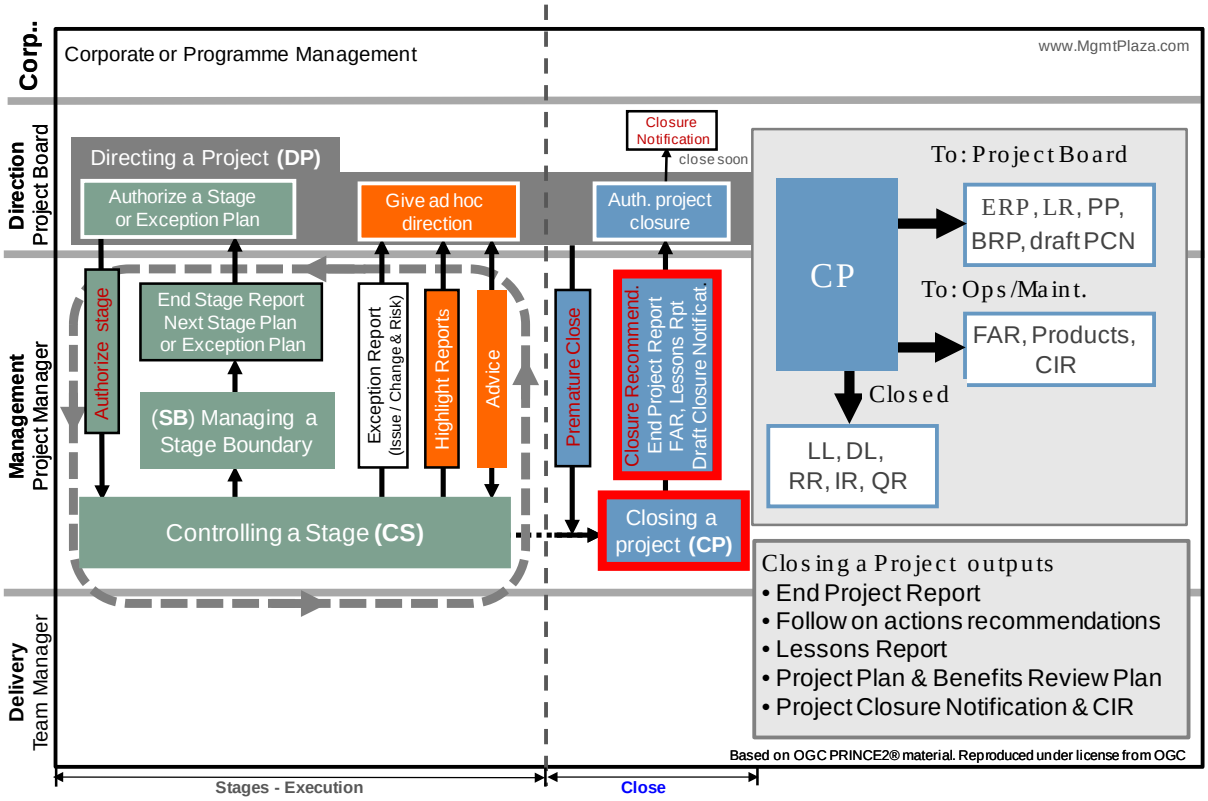

Fig 3.21 Closing a Project outputs

The documents given to the Project Board are:

- The **End Project Report (ERP):** This is written by the Project Manager and compares the project with the Project Initiation Documentation.
- The **Lessons Report (LR):** This records useful lessons that were learned during the project and can be applied to future projects.
- Other documents given to the project board are: Project Plan (PP), which has been kept up to date during the project, Benefits Review Plan (BRP), and draft Project Closure Notification.

The Project Manager provides the Operations / Maintenance group with:

- **The follow on actions recommendations (FAR):** This is a document that includes information on outstanding issues that are taken from the **Issue and Risk** Logs and requires follow-up action after the project has ended.
- The Project Manager also hands over product information, including the Configuration Item Records **(CIR)** for each product, to the operations and Maintenance Group.

3.19.2 Last actions for Project Manager in Closing a Project

The Project Manager may first close the three register files and the daily log.

The Project Manager also creates a draft Project Closure Notification for the Project Board. This will be the notification document that will be sent out later to stakeholders by the Project Board once they have decided to close the project.

The last thing the Project Manager does is to **Recommend Project Closure** to the Project Board. This can only be done once all other activities in Closing a Project have been done.

3.20 DP: Authorize project closure

3.20.1 Project Board activities in "Authorize project closure"

Closing a Project correctly is the responsibility of the Project Board, while the Project Manager will prepare and provide the Project Board with the majority of the information required.

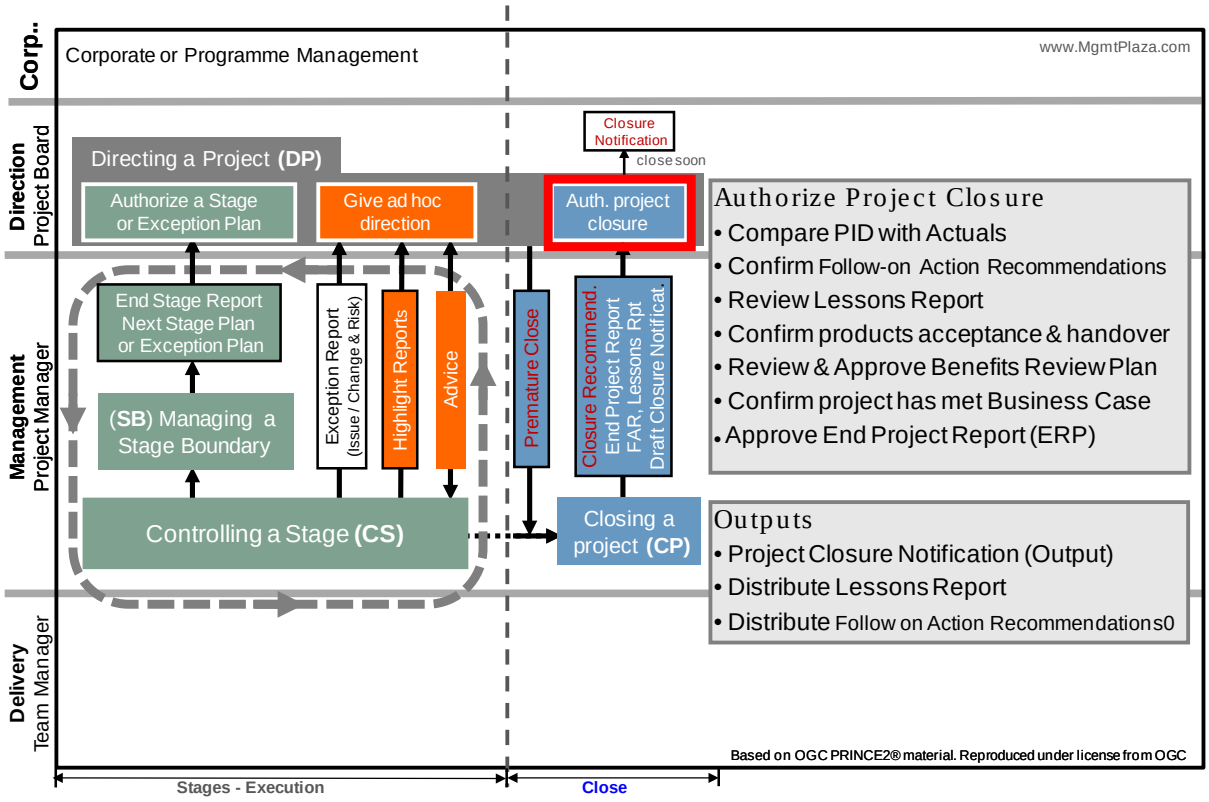

Fig 3.22 Authorize project closure

PRINCE2 recommends the following actions for the Project Board:

1. Review the End Project Report, and compare it to the original plan.
2. Confirm who should receive the **Follow on Action Recommendations. e.g.:** the persons responsible for the maintenance
3. Review the **Lessons Report** and pass it on so it can benefit future projects.
4. Confirm that products have been handed over, and confirm user acceptance and maintenance for each product.

5. Review and approve the **Benefits Review Plan,** as reviewing the benefits will continue to be done after the project shuts down.
6. Confirm that the project has met the Business Case by comparing the current Business Case to the original one, comparing the Benefits, Cost, Risks, and Return on Investment.

3.20.2 "Authorize project closure" activity outputs

There are three outputs to the Authorize project closure activity; these are:

1. Distribute the Lessons Report to the appropriate persons so it is available for future projects. **e.g.:** give it to the Project Office.
2. Distribute the Follow on Recommendations to the persons who will maintain the products after the project.
3. And the very last thing the Project Board does is to issue the Project Closure Notification, which will announce to all stakeholders that the project will end on a certain date. This is the same Project Closure Notification that was drafted by the Project Manager.

That's it, the project will be closed very soon. The Project Closure Notification is used to inform people that the project is closing and to therefore submit any costs to the project budget before it is closed.

Perhaps the Project Manager should invite out the project team out for a meal or drink and write recommendations for people who performed well on the project, this will also help to motivate people for future projects .

4 Summary

4.1 Course Summary

We just completed the PRINCE2 Process Model Podcast. The goal of this course was to show the following:

- Provide a high-level overview of the PRINCE2 Process Model – in other words, a helicopter view of how a PRINCE2 project works.
- Use colors to show which activities are done only once in the project, and those done once in each stage or *many* times in each stage.
- Show how a project starts and the next steps in the project.
- Show when and which documents need to be created and by whom.
- Show how the project moves from Startup to Initiation, and on to the Stages.
- Show the relationship between processes (**e.g.:** the outputs from one process are the inputs to another).
- Show the typical Project Manager activities. This was mainly covered in the Controlling a Stage process.
- Show how the Managing Products Delivery process interacts with the Controlling a Stage Process.
- Show how the Project Board interacts with, and controls, the project.
- And lastly, show how a project closes.

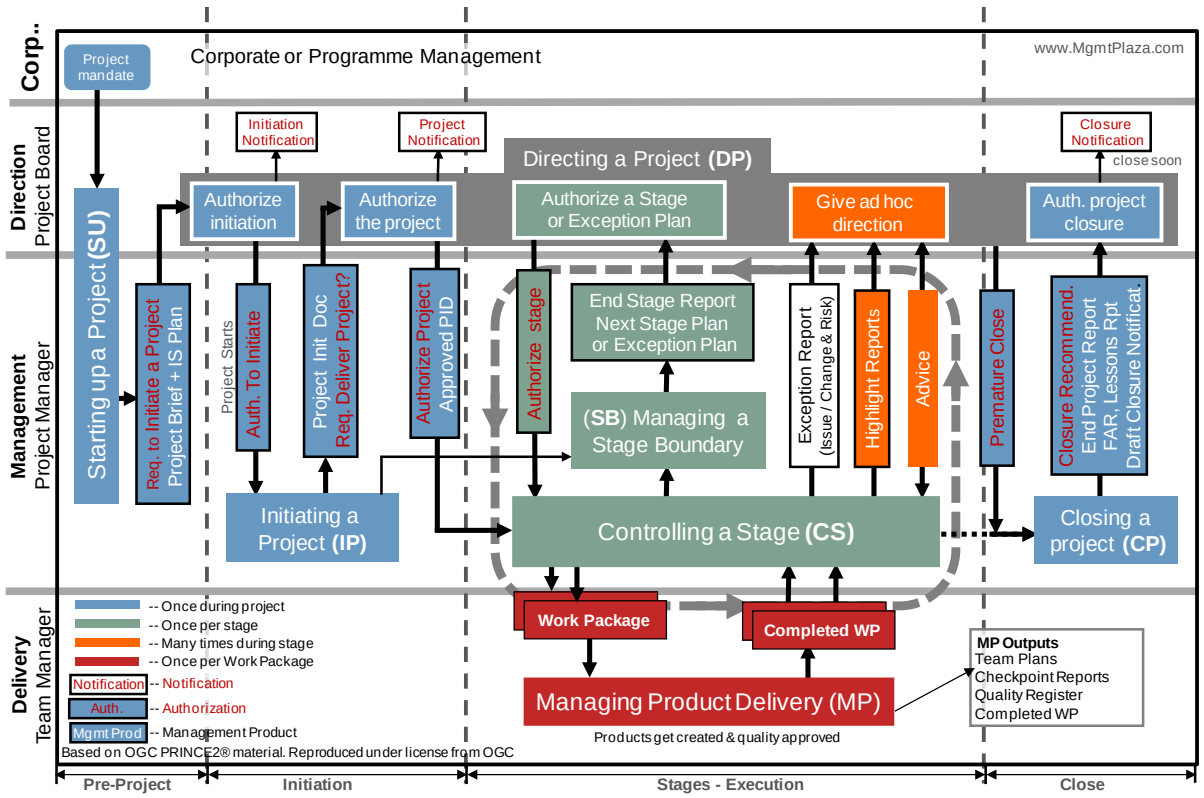

Fig 4.1 The PRINCE2 Process Model diagram

I suggest that you read this book a few times or listen to the podcast version. If you wish to test your knowledge, then try some of the questions in the next section, “Learn Thru Questions”. This is also available as a podcast. You could also try to fill in the exercise sheets.

5 Learn Thru Questions

5.1 Introduction

Welcome to this Learn the PRINCE2 Process Model Thru Questions section of the course. It provides questions and answers on the PRINCE2 Process Model and you can find all of the answers in the above text.

This is a good way to check your knowledge of the PRINCE2 Process Model. In fact, if you have a good understanding of the PRINCE2 process model, you can easily follow a 2-day Foundation classroom training instead of a 3-day training, which should be about 30% cheaper. See our **website** for a list of companies that offer a 2-day foundation course.

We offer this "PRINCE2 Process Model" course in a number of formats and you can get them from the **website**. The other formats are:

- The podcast
- The Learn Thru Questions podcast, and
- The computer based training format or CBT

If you have any questions, you can contact me at **frank.turley@MgmtPlaza.com**

5.2 About Learn Thru Questions

We use the Learn Thru Questions technique in our training because it is the best way to (a) check your knowledge, (b) get ready for a PRINCE2 exam, and (3) learn at the same time.

The Learn Thru Questions approach asks questions, allows you to click "Pause", so you can think about the answer, and then click "Play" to listen to the answer and compare it with yours. Depending on the question, we also provide additional information to explain the answer. This ensures that you continue to learn while using the Learn Thru Questions technique.

Most people who are familiar with podcast training or who want to see practice questions to prepare for exams find our Learn Thru Questions approach a great way to do this.

Suggestion: We recommend that you have a color copy of the Process Model Diagram with you when you listen to or read these questions for the first time, as many of the answers can be seen in the Process Model Diagram.

So enjoy this Learn Thru Questions approach.

5.3 The Process Model Learn Thru Questions

Q01: How many levels do the PRINCE2 Project Organization and PRINCE2 Project Management Team have?
A01: The Project Organization has four levels and the Project Management Team has three levels. The difference is that the Corporate or Programme Management level is the top level in the Project Organization, but the top level in the Project Team is the Project Board. Take a Look at the Organization diagram.

Q02: What happens to the Project Team once the project is complete?
A02: The Project Team is a temporary structure that is created for the project, so once the project is complete, the Project Team is disbanded.

Q03: What is the difference between the Project Management Structure and Project Management Team?
A03: The Project Management Structure refers to the PRINCE2 organization itself and shows four levels, while the Project Management Team refers to the team in the project, which has just three levels.

Q04: Name the four levels in a Project Management Structure, which is also referred to as the PRINCE2 Organization.
A04: The four levels in a Project Management Structure are:

- Corporate or Programme Management
- Project Board
- Project Manager
- Team Manager

Q05: Name the three levels in a Project Management Team. Which level is not mandatory?
A05: The three levels are the Project Board, Project Manager, and Team Manager. Some smaller projects may not have a Team Manager, therefore the Team Members will report directly to the Project Manager. So we can say that a project team can have two or three levels.

Q06: What does PMO stand for?
A06: PMO stands for Programme Management Office or Project Management Office. Other names are Project Office and Program Office.

Q07: Finish this sentence: “A programme is a group of related _____.”
A07: “A programme is a group of related **projects**”.

Q08: Name the three roles in the Project Board.
A08: The three roles in the Project Board are: 1) the Executive, 2) the Senior User, and 3) the Senior Supplier.

Q09: Who is responsible for the success of the project and has the necessary authority to take decisions and approve all major plans for the project? They also approve the completion of each stage and authorize the start of the next.
A09: The Project Board.

Q10: Who represents the Business interests of the project and owns the Business Case?
A10: The Executive represents the business interests of the project and owns the business case.

Q11: Who is usually responsible for designing and appointing the Project Management team?
A11: The Executive is usually responsible for designing and appointing the Project Management team, including the rest of the Project Board.

Q12: Which level of the organization sits outside the Project Management team and is responsible for commissioning the project?
A12: The Corporate or Programme Management level is responsible for commissioning the project and is also responsible for identifying the Executive.

Q13: Who represents the **user interests in the Project Board** and is responsible for the specification of the required products?
A13: This is the Senior User, and they are also responsible to check that the final products meet the required specification.

Q14: Who specifies the expected benefits at the start of the project and reports to the Project Board on the benefits that are being realized during the project?
A14: The Senior User specifies the expected benefits and reports on the benefits to the Project Board during the project. The Benefits Review Plan is maintained by the Project Manager, but the Senior User is responsible for keeping the Project Board up to date.

Q15: Who represents the interests of those designing, developing, facilitating and implementing the project's products?
A15: This is the Senior Supplier. This can be a person in the company or one from an outside company.

Q16: Which two roles in the Project Board can be assigned to one person?
A16: The Executive and the Senior User can be assigned to one person. **e.g.:** The head of a department that will use the end-product may decide to be both the Executive and the Senior User. This means that a Project Board can have a minimum of two persons.

Q17: Who runs the project on behalf of the Project Board?
A17: The Project Manager runs the project on behalf of the Project Board. The Project Manager has the responsibility to produce the required products to the required quality within the specified times and cost.

Q18: Name some of the skills that the Project Manager should have. Which of these skills are used most often? (**Tip:** Think of the PRINCE2 Themes.)
A18: The Project Manager is required to have many skills, such as Communication, Cost Management, Quality, Change Management, Requirements Analysis or User Needs, Planning, Monitoring, Facilitating and Risk Analysis. Communication is said to take more than 70% of the Project Manager's time.

Q19: Which of the following Roles in a Project Team may not be required: the Executive, the Senior User, the Senior Supplier, the Project Manager or the Team Manager?
A19: On smaller projects, the Team Manager may not be required. So the Team Members who create the products can report directly to the Project Manager. The other four roles are mandatory.

Q20: Can the Project Manager be a member of the Project Board?
A20: The Project Manager cannot be a member of the Project Board.

Q21: Who has the responsibility to produce the products that were assigned in Work Packages by the Project Manager?
A21: The Team Manager has this responsibility and also the responsibility to provide regular status reports on their progress. This allows the Project Manager to monitor their work.

Q22: Can the Team Manager create their own Team Plans for their Team or do these have to be created by the Project Manager?
A22: Team Plans are created by the Team Manager. The Project Manager can review the plans.

Q23: Look at the Process Model Diagram: How many times can the items in **blue** be executed or done in the project?
A23: All blue items are executed once.

Q24: Look at the Process Model Diagram: How many times can the items in **Green** be executed or done in the project?
A24: All green items are executed once for each stage. So if a project has four stages after the Initiation stage, the items in green are mostly executed four times.

Q25: Look at the Process Model Diagram: How many times can the items in **Orange** be executed or done in the project?
A25: Orange items can be executed multiple times in a stage. **e.g.:** The Highlight report is what we call a Time-Driven report. It can be sent each week during a stage to the Project Board and the Project Board can give Guidance and Instructions to the Project Manager at any time.

Q26: This process is for Senior Management and shows how the Senior Management controls the project. Which process am I referring to?
A26: This is the Directing a Project Process. It is where the Project Board sits.

Q27: This is a very short pre-project process that gathers the necessary data to start the project. Which process am I referring to?
A27: This is the Starting up a Project Process and it can also be referred to as the SU process.

Q28: This process examines the justification of the project and creates the Project Initiation documents. Which process am I referring to?
A28: This is the Initiating a Project process and it can also be referred to as the IP or Initiation Process.

Q29: This process describes the PM's day-to-day monitoring and control activities. Which process am I referring to?
A29: This is the Controlling a Stage Process. It is where the Project Manager does most of their work.

Q30: This process provides a controlled way to complete a stage and plan the next one. Which process am I referring to?
A30: This is the Managing a Stage Boundaries process, also referred to as the SB process.

Q31: This process delivers the products. It is where the products get produced by the team members. Which process am I referring to?
A31: This is the Managing Product Delivery process, also referred to as the MP process. It is where the Team Manager works.

Q32: This process confirms delivery of the products and prepares the project for closure. Which process am I referring to?
A32: This is the Closing a Project Process or the CP process. **Note:** The Project Manager prepares the project for closure but it is closed by the Project Board.

Q33: What is the name of the document that is written outside the project before the project starts?
A33: This is the Project Mandate and it is usually written by a senior person in the organization.

Q34: What does the project mandate document consist of? Name the one item that the product mandate should contain and one other item.
A34: According to PRINCE2, the project mandate only has to suggest the Executive and the Project Manager: Other information that can be added to the project mandate are:

- The Main objective of the Project
- The Business Case, which describes the reasons for the project
- Project Scope in high-level terms
- Customers quality expectations

If you know two parts, then it is good.

Q35: What is known to be the trigger to start the project?
A35: The project mandate document is known to be the trigger to start the project.

Q36: Which process has the project mandate as an input?
A36: The Starting up a Project process has the project mandate document as an input.

Q37: Name two of the main deliverables of the Starting up a Project process, meaning what are the main outputs of this process? (**Tip:** one of these has to do with the Project Team.)
A37: The Starting up a Project process has three main deliverables:

1. The Project Brief, which includes an outline of the Business Case
2. The Design and Appointing of the Project Management Team
3. The Initiation Stage Plan

Q38: Why do you think that Capture Previous Lessons is an activity in the Starting up a Project process? Just answer in your own words why you think this is important.
A38: The organization and the project manager want to avoid making the same mistakes made in other projects. Just imagine how red-faced the Project Manager would be if he made the same three mistakes as in a previous project that was done just six months earlier in the same company. So the project must learn from previous projects, from other people, and from other sources. This is a very important point in PRINCE2 and it is even one of the 7 principles.

Q39: Which document is created by the Executive and addresses the following in the Starting up a Project process?
1. Business value for the organization,
2. Company objectives,
3. Funding and
4. Risk Information.

This document is then expanded in a lot more detail in the next process.
A39: This is the Outline Business Case. It is a light version of the Business Case and it will be included in the Project Brief document.

Q40: Why do you think the Outline of the Business Case document is written by the Executive and not by the Project Manager?
A40: The Executive is responsible for, and owns, the Business Case. He will also know much more about the value of the project for the organization and how to measure the value of the expected benefits of the project. The Project Manager's main concern is to run the project as professionally as possible and deliver the required products on behalf of the Project Board. The Project Manager therefore may know very little about the business side of the organization and will get this information from the Business Case document.

Q41: List three or four of the questions that the Project Manager will ask while creating the Project Approach.
A41: First, the objective of the **Project Approach** is to gather the necessary data that will allow the Project Manager to determine such things as the timescale, the cost of the project, how the project can be controlled, and how to manage quality. So some of the questions they will ask are:

- Are there similar projects to learn from?
- What other knowledge and skills are required for the project and who has this knowledge?
- Are their standards to use and if so, what are they?
- What training will be required by the team that will build the products?
- Should we develop parts of the project in house or outsource?
- Should we build from scratch or update an existing product?
- How will maintenance be done in the future?
- What are the quality expectations?

As you can see, the answers to these questions will give important information to the Project Manager, so they can know how best to approach the project.

Q42: The Project Approach becomes part of which document?
A42: The Project Approach becomes part of the Project Brief.

Q43: This document is the main document used to provide the necessary information to the Project Board about the project so far. The Project Board will decide if the project will proceed to the **Initiation** Stage. Which document am I referring to?
A43: The Project Brief provides this information and it is a collection of most of the information gathered in the Starting up a Project process.

Q44: Who assembles the Project Brief?
A44: The Project Manager assembles the Project Brief.

Q45: Name two of the parts that make up the Project Brief that were created in the Starting up a Project process. So just think of what was produced in the Starting up a Project process.
A45: The Project Brief contains the following information:

1. A detailed Project Product Description (which includes quality expectations);
2. An Outline of the Business Case (which includes a summary of the known risks);
3. The Project Approach;
4. An Overview of Team Structure and Role Descriptions; and
5. The Project Objectives and Scope (which are updated from the project mandate document).

Q46: In which PRINCE2 process is the first check to see if there is a business reason to start the project? In which other process is the Project Plan created?
A46: The first check to see if there is a business reason to do the project is done in the Starting up a Project process, as the Outline of the Business Case is created in the Starting up a Project process. The Project Plan is created in the Initiating a Project process.

Q47: Who creates the Stage Plan for the Initiation Stage?
A47: The Project Manager creates the plan for the Initiation Stage. This plan is also referred to as the Initiation Stage Plan.

Q48: If the command to start the project came from a programme as opposed to corporate management, then what effect would this have on the Starting up a Project process?
A48: Remember that a programme is set up to guide and control a **group** of similar projects. Therefore, a lot of the work that is done in the Starting up a Project process will have already been done, such as how to structure the project management team, which resources to use, lessons from other projects, which approach to take and the business reasons behind the project. To summarize, the programme will supply most of the information required by the Project Brief, so there will be a lot less work to do in the Starting up a Project process.

Q49: What is the first decision taken by the Project Board, when they receive the Project Brief and the Initiation Stage Plan as an input?
A49: They will decide if the project is worthwhile for the organization. Therefore, they will decide if the project can proceed to the Initiation Stage. They do not give permission to start the project, only to start the Initiation Stage, which will plan the project in detail and present much more detailed information on the objectives, cost, plan, what exactly will be developed, the expected quality level, and so on.

Q50: Looking at the diagram, what is the trigger for the Initiation Stage?
A50: The trigger for the Initiation Stage is the decision or authorization by the Project Board in the Authorize initiation" activity. So, if the Project Board does not give this authorization, then the Initiation Stage cannot start.

Q51: The purpose of this process is to understand the work that needs to be done to deliver the required products and to produce the project plan. Which process am I referring to?
A51: This is the Initiating a Project process, also referred to as the IP process.

Q52: Name five of the eight activities in the IP process. (**Tip:** Think of the four related documents and the main documents that make up the Project Initiation Documentation.)
A52: The first four activities are creating the strategy documents, which are:

- The Risk Management Strategy
- The Configuration Management Strategy
- The Quality Management Strategy
- The Communication Management Strategy

Then the 5th is Set Up Project Controls, the 6th is Create the Project Plan, the 7th is Refine the Business Case and the 8th is Assemble the Project Initiation documentation. You are doing well if you know five of these.

Q53: Which document defines how and when the project will communicate to stakeholders? (**Tip:** This is one of the strategy documents.)
A53: This is the Communications Management Strategy document.

Q54: Which document defines how products will be managed during the project; who will own the products, where the products will be stored; the naming convention to be used, how to identify and track issues, and what records are to be kept for each product?
A54: This is the Configuration Management Document and it also defines how the issues will be handled in a project.

Q55: What happens to the Outline Business Case document in the IP process that was created in the SU process?
A55: This document is refined, meaning that it is updated and becomes a full Business Case document. It also uses the information from the project plan, which is created in the IP process, as the Business Case needs to know the cost of the project and how long it will take.

Q56: What do you think is the last thing that the Project Manager does in the IP process after they have assembled the Project Initiation Documentation? If they don't do this then the project cannot continue.
A56: The very last thing a Project Manager will do in the IP process is to give the Project Initiation Documentation to the Project Board and then issue a Request to continue with the project. You can see this in the Process Model diagram.
Note: The Project Board will also receive a copy the next Stage Plan from the first Managing a Stage Boundary process.

Q57: Name four or five documents that make up the Project Initiation Documentation. (**Tip:** remember that the Project Initiation Documentation is a collection of all documents produced in the SU and IP processes.) If you can name five you are doing well.
A57: First of all, we have the Project Definition, the Project Approach and The Project Management Team Structure, which were originally created in SU process.
From the IP process we have the Business Case and the Four Management Strategy documents, which are Quality, Configuration Management, Risk and Communications.
The Project Plan, the Project Controls, and information on how PRINCE2 will be tailored to suit the project also are a part of the Project Initiation Documentation.

Q58: Which document contains the following information: Describes how the project will be monitored and controlled, tolerances between the different management levels, number of stages, and the frequency of reporting between the Project Manager and Project Board.
A58: This is the Project Controls document.

Q59: Which document contains the following: A plan that describes each benefit and defines how and when a benefit will be available and how to measure it.
A59: This is the Benefits Review Plan.

Q60: Which process normally happens after the Controlling a Stage process and can also happen after the IP process?
A60: This is the **Managing a Stage Boundary** process, also known as the SB process.

Q61: The outputs of this process are the End Stage Report and the Next Stage Plan. Which process am I referring to?
A61: The main outputs of the SB process are normally the End Stage Report and the Next Stage Plan; otherwise it is the Exception Plan

Q62: What is the 2nd Control point for the Project Board? You can see this by looking at the Process Model Diagram.
A62: Authorize a project is the 2nd Control Point and 2nd Activity for the Project Board. This is where they evaluate the information in the Project Initiation Documentation and decide if the project can continue or not.

Q63: Who gives authorization for the project to start and for the first stage after the IP stage to begin?
A63: The Project Board gives two authorizations; they are: 1) **Authorize the project** so the project can start, and 2) **Authorize Stage or Exception Plan**. They also approve the Project Initiation

Documentation and give a Notification to the Corporate or Programme Management that the project has started.

Q64: Who does most of the work in the Controlling a Stage process?
A64: Most of the work performed in the Controlling a Stage process is performed by the Project Manager. You can see from the diagram that the Controlling a Stage process is in the Management level.

Q65: How many times does the "Controlling a Stage Process" normally happen in a project?
A65: This is a trick question as each project will be different and can have from two to many stages. The number of stages depends on a number of factors, including the complexity of the products to be produced.

Q66: What process does the Controlling a Stage process work with to deliver the specific products?
A66: The controlling a stage process works with the Managing Product Delivery process to create and deliver the specific products. The project was started to create the specific products, which are the products that users want from the project.

Q67: What contains information on one or more products to be developed, which includes such information as product descriptions, planning data, and constraints? This becomes the agreement between the Project Manager and the Team Manager.
A67: This is the Work Package.

Q68: Who creates the Team Plan to create the products in the Managing Product Delivery process?
A68: The Team Manager creates the Team Plan and the Project Manager can review them.

Q69: What is the name of the report created by the Team Manager on a regular basis to keep the Project Manager up to date on the progress of the product development?
A69: This is the Checkpoint Report. It is a progress report of the information gathered at a Checkpoint meeting.

Q70: For smaller projects where there is no Team Manager, who do the Team Members report to?
A70: The Team Members will then report directly to the Project Manager.

Q71: Name two of the four outputs from the MP process?
A71: The four main outputs of the MP process are:

- Team Plan: This plan is prepared by the Team Manager and is the first output.
- Checkpoint Reports: These are regular reports from the Team Manager to the PM
- Quality Register: This register is updated, as each product is tested after development by the testers. The Quality Register is also used by the Project Manager to check on progress.
- Completed Work Package: This is the name given to the group of completed products that are handed back to the Project Manager.

Q72: What is the name of the report that is sent by the Project Manager on a regular basis to the Project Board during the Controlling a Stage process?
A72: This is the Highlight Report. It provides a summary of the stage versus the stage plan, and also information on tolerances, potential issues, products completed, next work packages and corrective actions.

Q73: What is the name of the report created by the Project Manager and sent to the Project Board only if the current stage is forecast to go out of focus so that there is an issue to report?
A73: The name of this report is the Exception Report. It provides an overview of why the stage will most likely go out of tolerance, and then includes different options to get the project back on track and assess the impact on the Business Case, as this issue will most likely increase the cost of the project.

Q74: If the Project Board agrees with the recommended option in the Exception Report, what will they request next?
A74: The Project Board will request an **Exception Plan**, which will replace the current Stage Plan and therefore allow the Project Manager to complete the current stage.

Q75: Why do you think the Project Plan is updated in the Stage Boundary process?
A75: The Project Plan should always be updated during the project to show the true status or actual progress of the project. The best time to do this is at the end of each stage, which is the Stage Boundary process. So if you look at the Project Plan at the end of the Stage Boundary process you will see:

- Exactly what products have been developed to date
- A forecast for the rest of the project, including a forecast for the next stage.

Q76: What is the name of the report from the Managing a Stage Boundary process that provides a detailed report on the results of the Current Stage and compares the stage performance to the Stage Plan?
A76: This is the End Stage Report.

Q77: Why is the business case updated in the SB process?
A77: At the end of a stage, it is a good time to update the Business Case and check if the project is still viable and worth doing. From a business case point of view, you are interested to know if the project cost will increase or decrease and how this will affect the business case. So it is a good time to evaluate the business case after updating the Project Plan, which is also updated in the SB process, as the timescale and cost information may have changed.

Q78: What do we mean by the **"Exception Plan"** in the Directing a Project activity?
A78: The Project Board can do one of two things in this activity:

- They can **Authorize the Next Stage**; this happens if the current stage has been done correctly and if they agree with the next Stage Plan; or
- They have to **Authorize an Exception Plan** to allow the Project Manager to complete the current stage.

Q79: In small projects, can the "Authorization a Stage or Exception Plan" activity be less formal?
A79: Yes, in small projects this activity can be a lot less formal. In fact, the Project Manager can just arrange a meeting with the Executive to discuss the necessary topics.

Q80: Which 3 documents that are continually updated during the project would the Project Board also view and consider during the "Authorization a Stage or Exception Plan" activity? (**Tip:** These are updated during the Stage Boundary process by the Project Manager and one of these is a register.)
A80: The 1st is the Project Plan, so the Board can compare where they are in the project, as compared to the original plan. The 2nd is the Business Case, as the Executive needs to know that the project is still worth doing. The 3rd is the Risk Register, as these will change throughout the project and therefore will affect the project.

Q81: If the Project Board approves the Exception Plan, will the Project Manager start a new Stage or complete the current stage?
A81: The objective of the Exception Plan is to complete the current stage. The Exception plan will be necessary if the stage project went out of tolerance (**e.g.:** 20% more billable days than expected) and the Project Manager has to get permission from the Project Board to complete the current stage.

Q82: What process follows the Controlling a Stage process in the final stage after all products have been delivered?
A82: The last Controlling a Stage process in the final stage is followed by the Closing a Project process instead of the Managing a Stage Boundary process.

Q83: Does the Project Manager close the Project or Prepare the Project for closure in the Closing a Project process?

A83: The Project Manager will take the necessary actions to prepare for project closure. Only the Project Board can actually close a project.

Q84: What is the name given to the instruction from the Project Board to shut down the project before its expected end date?
A84: This is referred to as a Premature Closure. It is a notification sent from the Project Board to the Project Manager to prepare the project for closure; this can happen anytime in a project.

Q85: Can you think of an example where the Project Board might issue a Premature Closure?
A85: There is no one answer to this question: However, you should compare your answer to the examples to confirm that you are on the right track:

e.g.: An important point of the Business Case was to be the first company on the market with a new product, but the Project Board found out that a competitor will release a similar product 3 months earlier, so they will stop the project.

e.g.: The EC may have passed a new environmental law that will become active in 6 months and a large environment tax will be placed upon all products that don't meet these specifications.

e.g.: A civil war broke out in the main country where the raw material comes from; therefore, prices have more than doubled. The price is not expected to drop for at least two years.

I hope you like these examples.

Q86: In the Closing a Project Process, what does the Project Manager do with all the Lessons that have been learned in the project and have been documented in the Lessons Log?
A86: These lessons are placed in the Lesson Report document so they can be passed on and shared with future projects.

Q87: Which report is created by the Project Manager in the Closing a Project process and compares the project performance or project actuals with the original project objectives that are listed in the Project Initiation Documentation?
A87: This is the End Project Report. It is shown as the ERP document in the diagram.

Q88: Why is the Benefits Review plan updated in the Closing a Project process?
A88: The expected benefits listed in the Business Case confirming that the Benefits have been met during the project is an important control for the Project Board. The Senior User has the task of confirming that benefits have been delivered to the Project Board during the project, but what happens to the Benefits that won't be realized until after the project has been put into production?

e.g.: the project could have been to create a new Sales application for the company and one of the benefits would be to have 20% of the orders via the Web. This will not be realized until the project is complete and the product is in production for some time. So, the project manager or the Senior User can update the Benefits Review plan to show what benefits have already been realized and plan when the benefit review actions will take place after the project has completed: **e.g.:** in 6 months or 1 year's time.

Q89: What is the name of the document created in the Closing a Project process that includes information on outstanding issues that are taken from the Issue and Risk Log and require follow-up action after the project has ended?
A89: This is the Follow-Up on Actions recommendation and it is given to the group who will provide support or maintenance to the products after the project is complete.

Q90: What documents do you think the Project Board review or approve in the final activity "Authorize a Project Closure"? (**Tip:** Just think of the documents that the Project Manager gives to them at the end of the Closing a Project process.)
A90: The Project Board does the following:

1. Review the End Project Report and compare them to the original plan.
2. Review the **Lessons Report** and pass it on so it can benefit future projects.
3. Review and approve the **Benefits Review plan**, as reviewing the benefits will continue to be done after the project shuts down.
4. Confirm that the project has met the Business Case by comparing the current Business Case to the original one and comparing Benefits, Cost, Risks and Return on Investment.

Q91: What is the very last thing that the Project Board does during the “Authorize a Project Closure” activity?
A91: The Project Board issues the Project Closure Notification, which will announce to all stakeholders that the project will end on a certain date.

Appendix A

Exercise Sheets

- A number of exercise sheets have been provided.
- You can get these exercise sheets from the **website**.
- See “The PRINCE2 Process Model Page”.
- You will see a link for “PRINCE2 Process Model Exercise Sheets”.

Appendix B
Simple Glossary

Acceptance Criteria

A prioritized list that the final product(s) must meet before the customer will accept them (a measurable definition of what must be done for the final product).

A list of criteria that the final output of the project must satisfy for the customer to accept it. Just imagine a list of criteria arranged in the order of importance in a spreadsheet. Each entry should be discussed and confirmed by both the customer and the supplier. Throughout the project, the acceptance criteria can be refined and changed, but in the end, only when all the criteria are met and each box is ticked off can the project can be closed.

Baseline

A snapshot, a position or a situation that is recorded. A baselined product is a reminder of the original state and is to be used as a comparison against the current position. Products that have passed their quality checks and are approved are baselined products.

Once a product is baselined, it becomes a fixed reference for subsequent versions of the same product. For example, the Project Plan is defined, agreed and signed off at the start of the project. The Project Plan will be updated during the project to show what has been done. The Project Board can compare the baselined Project Plan with the current project plan to see how well the project is going as compared to the original expectations.

Another example: A mailing list for an event has been approved and will be baselined and given a version number, so it cannot be changed. If changes need to be made to it, then a new version of the mailing list must be created, as the baselined version cannot be changed.

Business Case

Information that describes the justification for setting up and continuing a PRINCE2 project. It provides the reasons (and answers the question: 'Why?') for the project. An outline of the Business Case should be in the Project Mandate and can be updated in the Project Brief. A fuller version should appear in the Project Initiation Document.

A document that explains the reasons for the project, in terms of cost, risks and benefits. It explains in detail why the project should be done and why the final outcome is desired. During the project lifetime, whenever a risk appears, the odds should be weighed against the Business Case to check if the benefits still exist within the expected time and cost constraints.

For example, if a company is running a project to develop and implement a new CRM application, the Business Case should include the improved efficiency for client management so more clients could be handled within a certain period of time.

Another example: During the project, an important new requirement has been added to the project. A new feature will be added to allow users to see if items they wish to order are in stock. This connection to the stock application will cost an extra €30,000, so the business case must be updated to reflect this increase in cost and see if the project is still worth doing.

Communication Management Strategy

A description of the means and frequency of communication between the project and the project's stakeholders.

It defines the method and frequency of the information exchange. During the start-up, the traffic of communication and reporting may be higher. The Communication Management Strategy provides an organized approach to deliver reports on a timely basis to those who need the information for decision-making and/or other purposes.
***E.g.:** The Communication Management Strategy document may show that it has been agreed that the Project Manager will send a two-page Highlight Report to the Project Board every two weeks on a Thursday morning in a certain format.*

Customer

The person or group who commissioned the work and will benefit from the end results.

The customer will specify the desired outcome of the project; will be the owner of the final product of the project; will be representative to those who are going to use the final product; and will probably pay for the project. Remember PRINCE2 is based on a Customer/Supplier environment and both will be represented on the Project Board.

The term "Customer" can also refer to both User and Business interests.

Output

A specialist product that is handed over to a user. Note that management products are not outputs but are created solely for the purpose of managing the project.

Outputs refer to the products that are delivered to the customer/user, and they are the reason why the project is done. There are two kinds of products in a PRINCE2 project: Specialist products and Management products.

Specialist products are the outputs of the project and are given to the users. Management products are created for the purpose of managing the project, ***e.g.:*** *Project Plan, Business Case. These are never given to users.*

End Project Report

A report given by the Project Manager to the Project Board that confirms the handover of all products and provides an updated Business Case and Project Assessment.

The End Project Report is the Project Manager's report to the Project Board that confirms delivery of outputs to the customer; provides an overview of what went well and not so well, a review of the benefits as compared to the expected benefits that were listed in the Business Case, and a review of how well the project went according to the Project Plan. It can also confirm that products have been accepted by the customer.

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 performance during the stage and the project status at stage end.

The Project Manager's report to the Project Board that provides information on project performance during each stage and the overall project status up to that point. It will also include a review of the benefits reached so far, and a review of the Issues and Risks. An End Stage Report should contain a forecast for the next stage. This will help the Project Board to decide whether to continue the project or not. This can be a structured document, an email or a few slides.

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 is actively managed. The Executive is the Project Board chairperson representing the customer, and is the owner of the Business Case.

The Executive is the chairperson of the Project Board, and represents the Customer. He or she is responsible for the Business Case, and is the person responsible to ensure the project satisfies its goals and delivers the intended benefits. The Executive is also responsible for making sure the project runs within the framework of the Business Case and has the final say in the Project Board.

***Follow-Up on Action Recommendations**

A report that can be used as input to the process of creating a Business Case/Project Mandate for any follow-on PRINCE2 project and for recording any follow-on instructions covering incomplete products or outstanding Project Issues.

*A report created by the Project Manager at the end of a project that puts together recommendations on how to handle incomplete outputs, ongoing issues that are taken from the Issue Register, and existing risks. **E.g.:** unfinished work, possible activities that should be done for some products. As you can imagine, this can be very important for the persons who are going to take over the maintenance of the products.*

Highlight Report

A time-driven report from the Project Manager to the Project Board on stage progress.

*A report on the stage progress prepared regularly by the Project Manager for the Project Board. The frequency for this report is indicated in the Communication Management Strategy, **e.g.:** It may be agreed that the Project Manager will send this every two weeks on a certain day and with a specific format, which can be a 2- or 3-page overview.*

The report can confirm that the stage runs within tolerances and the Project Manager can also point out any foreseeable problems.

Issue

A relevant event that has happened was not planned and requires management action. It can be any concern, query, request for change and suggestion, or off-specification raised during a project. Project issues can be about anything to do with the project.

Any event related to the project that has already happened and requires the intervention of the higher management. All issues that need to be handled formally will be first examined and classified into one of three types of issues, and then entered into the Issue Register. The three categories for an issue are: 1) a request for change, 2) an off-specification (something that the supplier was not able to do as planned), and 3) a problem or a concern.

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.

A log that captures and keeps track of all formal issues. It is regularly monitored by the Project Manager throughout the project. Just imagine a spreadsheet where each line is an issue and there are columns for Issue ID, Issue Type, Date Raised, Raised By, Description, Current Status, and Close Date.

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 so that the organization is able to avoid the negative lessons on future projects.

A document that lists the lessons gained during the project. It helps to avoid possible mistakes and to repeat positive actions in future projects. Any important lessons that can be applied to future projects should be listed in the Lessons Report. This report is created by the Project Manager using information from the Lesson Log and given to the Project Board always at the end of the project. In large projects, it can also be created at the end of a stage.

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.

Any input to a project or output produced during the project. A PRINCE2 project creates two kinds of products, Specialist product and Management products. The creation of the specialist

products is the reason that the project was started and these are the products that will be given to the users. Management products are documents used solely for the purpose of communication among the project management team. ***E.g.:*** *Project Plan, Business Case, so the Users are only interested in the Specialist products.*

Product-based planning

A technique leading to a comprehensive plan based on creation and delivery of required outputs. The technique considers prerequisite products, quality requirements and the dependencies between products.

A PRINCE2 technique used to create a detailed plan that focuses on the required products before even thinking about activities. There are four steps in Product-Based Plan:

Step 1: *Write the Project Product Description: Just imagine the information you might see on a web site about a laptop: Laptop Overview, Laptop Specifications and Features (including information on Quality).*

Step 2: *Create Product Breakdown Structure: This is a sorted list in a diagram of all the parts that make up the laptop, such as keyboard, mouse, memory, motherboard, hard-drive and case. You may put keyboard & mouse under a branch labeled as Input devices.*

Step 3: *Write a Product Description for each part mentioned in the Product Breakdown structure: For example, Hard-drive: overview information, specifications, features and quality information.*

Step 4: *Create Product flow diagram: This defines the sequence in which the Project Product will be created.* ***E.g.:*** *A new Laptop prototype – You may decide to start with products that are manufactured in house and add products that are outsourced. The flow diagram must represent the sequence of how the product will be created.*

Product Breakdown Structure

A hierarchy of all the products to be produced during a plan (during a project).

A ranking list of all the products defined in the plan. The plan is broken down into its major products and these products are listed in priority according to their dependencies.

E.g.: *A Laptop Prototype: You would list and link all the parts that make up the laptop in a diagram, such as keyboard, mouse, memory, motherboard, hard-drive and case. You might place keyboard & mouse pad under a branch labeled Input devices, and you may have another branch for external connection adapters, such video, USB, power, network, and earphone.*

This can either be a top-down diagram or you can use a Mind-map.

Product Checklist

A list of the major products of a plan, plus key dates of their delivery.

A list of all the major products to be produced, along with their dates of delivery.

Imagine a spreadsheet with a number of columns like Product ID, Product Title, Product Description Approved Date, Draft Ready Date – Plan & Actual, Quality Check Date – Plan & Actual, and Approved Date – Plan & Actual.

This checklist is a great way to see how the project is progressing. Some Project Managers use this as their main document for this purpose.

Product Description

A description of a product's purpose, composition, derivation and quality criteria. It is produced during the time of planning, as soon as possible after the need for the product is identified.

Information on the product's purpose, composition, derivation and quality criteria. A product is defined as soon as its need is identified. Technical products, as well as management products, should have product descriptions.

***E.g.:** Think of a Product Description for the hard drive of a Laptop. You will have an Overview description: e.g., Features, Specifications, Quality Requirements (and how this will be tested), and a list of parts.*

Product Flow Diagram

A diagram showing the sequence of production and interdependencies of the products listed in a Product Breakdown Structure. (It shows what has to be produced 1st, 2nd, 3rd, and so on.)

A diagram showing the order of production and the prerequisites for each product defined in the Product Breakdown Structure.

***E.g.1:** Imagine you are building a new prototype laptop: The Product Flow Diagram may show that you start with the bottom casing and then add the metal linings, the motherboard and the rest of the parts in sequence until the laptop is built.*

***E.g.2:** Think of an instruction diagram that comes with a flatpack piece of furniture from IKEA. This is also a sequence of steps to create a product.*

Project Assurance

The Project Board's responsibilities to assure itself that the project is being conducted correctly. Each of the Project Board members have a specific area of focus for Project Assurance, namely business assurance for the Executive, user assurance for the Senior User, and supplier assurance for the Senior Supplier.

The Project Board is responsible for monitoring the project's performance in the user, supplier and business areas. To achieve this, the Board may decide to delegate its assurance functions to another entity to make sure the project runs smoothly.

The best way to explain Project Assurance is to look at why we need it. The Project Manager may be hiding information or providing misinformation to the Project Board; therefore, the Project Board needs an independent view of how the project is really going so they can check if the products reported to be created have actually been created. This is Project Assurance.

Project Brief

A statement that describes the purpose, time, cost 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 the Project process to create the Project Initiation Documentation and its components. It is superseded by the Project Initiation Documentation and not maintained.

A document that contains the following information collected during the Pre-project process "The Starting up a Project". The Project Definition includes background information, time, cost, quality & scope; and an Outline of the Business Case; Project Description; Project Team Structure and Project Approach.

It is used by the Project Board to decide if they will continue with the initiation stage of the project and therefore spend money; this is their first decision. It is not updated during the project.

Project Initiation Documentation

A logical set of documents that brings together the key information needed to start the project on a sound basis and to convey that information to all concerned with the project.

A set of documents that contain essential information to start the project; in other words, the documents that were created during the Initiation Stage that describe how the project will be done in detail. It includes the Project Plan, Business Case, 4 Strategy Documents, Risk Register, and Team Structure, among others. The Project Board reviews the Project Initiation

Documentation in order to authorize the start of the project. It is also used to communicate the project to its stakeholders. The documents in the Project Initiation Documentation are subject to change throughout the project. After each change, every document is baselined for future comparison. A good way to think about the contents of a PID is to think of the Themes.

Project life cycle

The period from the start-up of the project to the acceptance of the project product.

The time between the start of the project and the acceptance of the product or the close of the project. Therefore, follow-up maintenance and support is not part of the project life cycle but happens after the project has closed.

Project management

The planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance.

The conducting of the project by planning, delegating, monitoring and controlling all sides of the project in view of the project objectives by creating the project plan and then running the project according to this plan. This includes the management of the human and nonhuman resources within the limits of time, cost and quality.

Project management team

Covers the entire management structure of the Project Board and Project Manager, including Team Managers, Project Assurance and Project Support roles.

Defines the total management structure of the project from top to bottom, from the Project Board to the Project Manager to the Team Managers and the support staff. It is a temporary structure solely established to manage the project to a successful conclusion. The Project Management Team is disbanded at the end of the project.

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.

The person appointed by the Project Board to manage the daily progress of the project to deliver the end product within the limits set by the Board or, in other words, to run the project according to the project plan as efficiently as possible, for example, by looking for opportunities to speed up the project and reduce cost.

Project mandate

Information created externally to the project that forms the terms of reference and is used to start up the PRINCE2 project.

Information provided by the upper management outlining what is desired from the project. This is an external document and is used as an input for the Starting up a Project process. This can be an email, an internal memo, or a structured document. The project mandate can contain some basic information on the business case, project tolerances, reasons for the project, who the executive should be, and risk information.

The information in the project mandate document is expanded into the Project Brief in the Starting up a Project process.

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 Document. 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.

A control document for measuring progress. It shows the required products of the project, their delivery dates and cost, as well as the quality objectives and how these will be achieved. It is not just a Gantt chart but it contains product descriptions, product breakdown structure, responsibilities, how stages are used, lessons, how the project will be controlled, tolerances, and quality information.

Quality Management Strategy

A strategy defining the quality techniques and standards to be applied, and the various responsibilities for achieving required quality levels during a project.

A plan of action that defines the quality requirements and the control methods for all the products in the project. This document also confirms how the quality systems from the customer and supplier are going to be applied in the project. This is created at the Initiation Stage and becomes a part of the Project Initiation documentation.

Quality

The totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bears on its ability to show that it meets expectations or satisfies stated needs, requirements or specifications.

A product's ability to satisfy its intended properties by meeting expectations, requirements and specifications. One of the first questions you should ask when defining the Project is what quality is expected. For example, if you are developing a CRM system, some quality questions would be: How easy should the product be to use? What percentage of features should work when launched (this could be 99%)? The time delay to carry out specific activities, such as a search.

Documenting the quality requirements really helps to define the project product and therefore the project.

Risk

An uncertain event or set of events that, should they occur, would 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.

An event that, if it occurs, may have a positive or negative effect on the project's objectives. Risks are constantly reviewed during the project using the Risk Register. As projects are unique in nature, they will have risks, and these need to be managed.

Risk Register

A record of identified risks that are faced by an organization and its exposure to those risks.

A log of possible risks that the project faces, this is kept up to date during the project by the Project Manager. Imagine a spreadsheet with the following columns: Risk ID, Risk Author, Date Registered, Risk Category, Risk Description, Impact, Proximity, Risk Status, Risk Owner.

Senior Supplier

The Project Board role that provides the knowledge and experience of the main disciplines involved in the production of the project's deliverables. The Senior Supplier represents the supplier interests within the project and provides supplier resources.

Senior Supplier is a Project Board role that represents the interests of those who are going to deliver the desired products. The supplier can be an in-house department or an external company. Their main concern throughout the project is "Can it be done?" and "Can it be done within the agreed time and cost and quality?"

Senior User

The Project Board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.

The Senior User is a Project Board role that represents the future users of the project's product. They represent the Users' Interests. The Senior User is responsible to ensure that the product satisfies the quality and functionality requirements of the user. Their main concern throughout the project is "Will it Work as expected?"

Stage Plan:

A detailed plan used as the basis for the project management control throughout a stage.

A Stage Plan is created by the project manager and has a similar structure to the Project Plan, but differs in two ways:

1) The project plan is very high-level, while the stage plan is much more detailed -- for example, it can show what has to be done day to day.

2) The project plan lists all products that will be produced during the project, while the stage plan is focused just on the products that will be created during a particular stage.

Stages (Management Stages and Technical Stages)

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.

Technical Stage: A method of grouping work together by the set of techniques used or the products created. This results in stages covering elements such as design, build, and implementation. Such stages are technical stages and are a separate concept from management stages.

There are two types of stages Management Stages and Technical Stages.

Management Stages: A PRINCE2 project is divided into stages and each stage is separated by a decision from the Project Board to continue to the next stage or not.

A Technical Stage is a grouping of a certain set of techniques used in the development of the product.

One difference is that Management Stages can never overlap while the Technical Stages can, ***e.g.:*** *Designing, Building and Training may overlap.*

So how can the Project Manager manage Technical Stages from PRINCE2?
The PRINCE2 Project Manager uses Management Stages so they see which products are created in the Technical Stages and place these in the corresponding Management Stage.

E.g.: *There may be a Training Technical stage that spans two Management Stages, and the final output is approved training material. So the Project Manager looks to see how they can divide this work into two separate Management Stages. A solution can be to split the product into 2 products, a first product could be* ***Draft Training*** *and the complete product could be the* ***Approved Training Material****. Therefore, the Draft Training product could be produced in the first Management Stage, and the Approved Training Material product is produced in the next Management Stage.* (See page 106 for more information on this.)

Team Plan

An optional level of plan used as the basis for a team management control when executing Work Packages.

A Team Plan is created by the Team Manager to plan the execution of the activities that are agreed with the project manager. Team Plans are optional. These activities are grouped together into Work Packages and a Team Plan can be for one or more Work Packages.

PRINCE2 does not provide a format for a Team Plan and the Team Manager can use a simple task list in Excel, MS Project, or could create a plan that looks like a stage plan. In most projects the Project Manager may request to review the Team Plan to get a better idea of how the work will be done.

Tolerance

The permissible deviation above and below a plan's estimate of time and cost, without escalating the deviation to the next level of management. Separate tolerance figures should be given for time and cost.

The estimated time and cost allowance in the project plan to tolerate possible deviations without the need of the Project Board intervention. Imagine if there was no tolerance in a project. For every small issue that the Project Manager would have, they would contact the Project Board. This would happen many times each day and the Project Board would end up running the project.

The Project Board members are very busy and don't want to be bothered every hour by the PM, so they give them tolerances for time, cost, quality, benefits, scope and risk, and let the Project Manager get on with it. They are told to alert the Project Board only if it has been forecast that the project could go above one of these tolerances.

User(s):

The person or group who will use the final deliverable(s) of the project.

The end users of the project's final deliverable; they will receive the benefits of the project.

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 Descriptions(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 such that the work is done within these constraints.

Work Packages are a way for the Project Manager to group work activities together and assign work to a team or Team Manager to produce one or more products. A Work Package is therefore a set of information about one or more required products. A Work Package can contain the following: a Work Package description, product descriptions, techniques to be used, tolerances, date of agreement between PM and TM, how the TM will report to the PM, and Quality information.