

BEST PRACTICE

PRINCE2®

2017 Edition

A Pocket Guide

Bert Hedeman | Ron Seegers

PRINCE2® 2017 EDITION – A POCKET GUIDE

Other publications by Van Haren Publishing

Van Haren Publishing (VHP) specializes in titles on Best Practices, methods and standards within four domains:

- IT and IT Management
- Architecture (Enterprise and IT)
- Business Management and
- Project Management

Van Haren Publishing is also publishing on behalf of leading organizations and companies: ASL/BiSL Foundation, BRMI, CA, Centre Henri Tudor, Gaming Works, IACCM, IAOP, IFDC, Innovation Value Institute, IPMA-NL, ITSq, NAF, KNVI, PMI-NL, PON, The Open Group, The SOX Institute.

Topics are (per domain):

IT and IT Management

ABC of ICT
ASL*
CATS CM*
CMMI*
COBIT*
e-CF
ISO/IEC 20000
ISO/IEC 27001/27002
ISPL
IT4IT*
IT-CMF™
IT Service CMM
ITIL*
MOF
MSF
SABSA
SAF
SIAM™
TRIM
VeriSM™

Enterprise Architecture

ArchiMate*
GEA*
Novius Architectuur
Methode
TOGAF*

Business Management

BABOK Guide*
BiSL* and BiSL* Next
BRMBOK™
BTF
EFQM
eSCM
IACCM
ISA-95
ISO 9000/9001
OPBOK
SixSigma
SOX
SqEME*

Project Management

A4-Projectmanagement
DSDM/Atern
ICB / NCB
ISO 21500
MINCE*
M_o_R*
MSP*
P3O*
PMBOK Guide*
PRINCE2*

For the latest information on VHP publications, visit our website: www.vanharen.net.

PRINCE2®

Edition 2017

Pocket Guide

Bert Hedeman
Ron Seegers



Colophon

Title:	PRINCE2® 2017 Edition – A Pocket Guide Third edition, first impression, June 2018
Series:	Best Practice
Authors:	Bert Hedeman (HWP Consulting), Ron Seegers (Projectmeester)
Reviewers:	Marc Kouwenhoven (n!Then!) Jaap Germans (Pinkelephant) Henny Portman (HWP Consulting) Georges Kemmerling (Quint Wellington Redwood)
Final Editor:	Bert Hedeman
Text editor:	Carmen Tjin
Publisher:	Van Haren Publishing, Zaltbommel, www.vanharen.net
ISBN Hard copy:	9789401803182
ISBN EBook pdf:	9789401803199
ISBN EPub:	9789401803205
Print:	Second edition, first impression, April 2018 First edition, first impression, September 2009
Layout and type setting:	S&B IT Services, Amersfoort – NL
Copyright:	© Van Haren Publishing, 2018

© Crown copyright 2017 Reproduced under licence from AXELOS: Figures 1.1, 5.1, 6.1, 6.2, 6.3, 8.1, 8.3, 8.4, 9.1, 9.2, 9.4, 10.1, 11.2, 12.1, 14.1, 17.1, C.1, C.2.

ITIL®, PRINCE2®, PRINCE2 Agile™, MSP™, P3O™, MoP™, M_o_R® and P3M3™ are a Registered Trade Mark of AXELOS. AgilePM® is a registered trademark of DSDM in the United Kingdom and other countries.

For any further enquiries about Van Haren Publishing, please send an e-mail to: info@vanharen.net. Although this publication has been composed with utmost care, neither Author nor Editor nor Publisher can accept any liability for damage caused by possible errors and/or incompleteness in this publication.

No part of this publication may be reproduced in any form by print, photo print, microfilm or any other means without written permission by the Publisher.

Contents

PART I INTRODUCTION	1
1 Introduction	3
1.1 The purpose of this guide	3
1.2 What is a project?	3
1.3 Why are projects important?	3
1.4 Projects versus business as usual	4
1.5 What is project management?	4
1.6 What does a project manager do?	5
1.7 What is it all parties involved wish to control?	5
2 Introduction to PRINCE2	7
2.1 Structure of PRINCE2	7
2.2 What makes a project a PRINCE2 project?	8
2.3 What PRINCE2 does not provide	8
2.4 Customer/supplier environment	8
2.5 Benefits of PRINCE2	9
3 Principles	11
3.1 Continued business justification	11
3.2 Learn from experience	11
3.3 Defined roles and responsibilities	12
3.4 Manage by stages	12
3.5 Manage by exception	12
3.6 Focus on products	13
3.7 Tailor to suit the project environment	13
PART II THEMES	15
4 Introduction to PRINCE2 themes	17
5 Business case	19
5.1 Purpose of the business case theme	19
5.2 Business case defined	19
5.3 PRINCE2 requirements for the business case theme	19
5.4 PRINCE2 approach to the business case theme	20
5.5 Content of a business case	22
5.6 Guidance for effective business case management	23
5.7 Techniques: investment appraisal	23
5.8 Responsibilities business case theme	24

6	Organization	25
6.1	Purpose of the organization theme	25
6.2	Organization defined	25
6.3	Levels of organization	26
6.4	PRINCE2 requirements for the organisation theme	27
6.5	Project management team	27
6.6	Communication management approach	30
6.7	Guidance for effective organization	30
7	Quality	33
7.1	Purpose of the quality theme	33
7.2	Quality defined	33
7.3	PRINCE2 requirements for the quality theme	34
7.4	Purpose of the quality management products	34
7.5	Quality management	34
7.6	PRINCE2 approach to the quality theme	35
7.7	Guidance for effective quality management	36
7.8	Quality review technique	37
7.9	Responsibilities quality theme	37
8	Plans	39
8.1	Purpose of the plans theme	39
8.2	Plans defined	39
8.3	PRINCE2 requirements for the plans theme	40
8.4	Management stages	41
8.5	PRINCE2 approach to the plans theme	42
8.6	Product-based planning approach	43
8.7	Guidance for effective planning	44
8.8	Responsibilities plans theme	45
9	Risks	47
9.1	Purpose of the risk theme	47
9.2	Risk defined	47
9.3	PRINCE2 requirements for the risk theme	47
9.4	PRINCE2 approach to the risk theme	48
9.5	Risk management procedures	48
9.6	Guidance for effective risk management	52
9.7	Responsibilities risk theme	52
10	Change	55
10.1	Purpose of the change theme	55
10.2	Change defined	55
10.3	PRINCE2 requirements for the change theme	56

10.4	PRINCE2 approach to the change theme	56
10.5	Issue and change control procedure	57
10.6	Guidance for effective change control	59
10.7	Responsibilities change theme	59
11	Progress	61
11.1	Purpose of the progress theme	61
11.2	Progress defined	61
11.3	PRINCE2 requirements for the progress theme	61
11.4	Management by exception	62
11.5	PRINCE2 approach to the progress theme	62
11.6	Delegating authority	62
11.7	Event- and time-driven controls	63
11.8	Raising exceptions	64
11.9	Guidance for effective progress control	65
11.10	Responsibilities progress theme	66
	PART III PROCESSES	67
12	Introduction to PRINCE2 processes	69
12.1	Pre-project	70
12.2	Initiation stage	70
12.3	Subsequent delivery stage(s)	71
12.4	Final delivery stage	71
12.5	Post-project	71
12.6	Tailoring the processes	71
13	Starting up a project	73
13.1	Purpose	73
13.2	Objective	73
13.3	Context	74
13.4	Activities	74
13.5	Tailoring starting up a project	76
14	Directing a project	77
14.1	Purpose	77
14.2	Objective	77
14.3	Context	78
14.4	Activities	78
14.5	Tailoring directing a project	80
15	Initiating a project	81
15.1	Purpose	81

15.2	Objective	81
15.3	Context	82
15.4	Activities	82
15.5	Tailoring initiating a project	85
16	Controlling a stage	87
16.1	Purpose	87
16.2	Objective	87
16.3	Context	88
16.4	Activities	88
16.5	Tailoring controlling a stage	91
17	Managing product delivery	93
17.1	Purpose	93
17.2	Objective	93
17.3	Context	93
17.4	Activities	94
17.5	Tailoring managing product delivery	95
18	Managing a stage boundary	97
18.1	Purpose	97
18.2	Objective	97
18.3	Context	98
18.4	Activities	98
18.5	Tailoring managing a stage boundary	100
19	Closing a project	101
19.1	Purpose	101
19.2	Objective	101
19.3	Context	102
19.4	Activities	102
19.5	Tailoring closing a project	104
	PART IV TAILORING AND ADOPTING	105
20	Introduction tailoring and adopting PRINCE2	107
20.1	Tailoring PRINCE2	107
20.2	Adopting PRINCE2	107
21	Tailoring PRINCE2	109
21.1	Elements to tailor	109
21.2	Scaling projects	110

21.3	Small projects	111
21.4	Agile projects	112
21.5	Commercial projects	112
21.6	Projects within a programme	113
21.7	Multi-organizational projects	114
22	Adopting PRINCE2	115
22.1	Tailoring to create its own method	115
22.2	Embedding PRINCE2	116
22.2	Maturity assessment	118
	Appendix A Outline product descriptions management products	119
	Appendix B Roles and responsibilities	133
	Appendix C Example product-based planning	141
	Appendix D Glossary	145
	About the authors	157

PART I INTRODUCTION

Chapter 1

Introduction

PRINCE2® is a generic project management method which focuses on the management aspects of projects. PRINCE2® was originally launched in 1996 by the CCTA. Since then several versions have been launched. The latest update of the method has been published in 2017.

PRINCE2® is now a registered trade mark of AXELOS. Additionally AXELOS provides certification to organizations, activities and persons related (but not limited to) projects, programmes and risk based on the methods owned by AXELOS, such as ITIL®, PRINCE2 Agile™, MSP™, P3O™, MoP™, M_o_R® and P3M3™.

1.1 The purpose of this guide

This pocket guide supplies a summary of the PRINCE2 method. It is intended to provide a quick introduction as well as a structured overview of the method and to act as a reference for those who have studied the method in the past and want to use the method now in the day-to-day management of their projects.

1.2 What is a project?

A project is a set of related activities within a temporary organization that is created to deliver, according to agreed conditions, one or more predefined products or services. Within the context of the method of PRINCE2 a project is defined as:

A temporary organization that is created for the purpose of delivering one or more business products according to an agreed business case.

1.3 Why are projects important?

Projects are carried out mainly when the work cannot be carried out properly with normal business operations. One of these conditions is when the business operations have to transform to meet new requirements, in order to survive or to compete in the future.

The temporary organization of projects makes it possible to unite all stakeholders to deliver the required products or services. The structure and processes within a proper project management method enforce focus, support and commitment for the products and services that are to be delivered. Projects are therefore an important means to supporting change.

As business change is becoming more and more important in business operations as well as in the public domain, projects nowadays are crucial in professional life.

1.4 Projects versus business as usual

Based on the definition of a project, there are a number of characteristics of projects that distinguish project work from regular business operations:

- **Change** – Most projects are carried out in a changing environment and are, at the same time, the means by which the organization introduces these changes. This will often cause severe resistance from the parties involved. The project has to manage this resistance and, increasingly, has to contribute in diminishing this resistance in addition to its requirements to deliver the predefined products and services.
- **Temporary** – This is an essential condition for a project. Without this, there is no project. A project ends automatically when the predefined products or services are handed over to the customer. Projects by nature are finite, they have a predefined start and end.
- **Cross-functional** – Projects involve a team of people with different skills and functions, most often from different organizational entities. This can be from within a single organization or from several organizations.
- **Unique** – Every project is different, even when an identical product or service is delivered. The context is always different and there are always differences in objectives, new team members or other parties involved. This makes each project unique in relation to every other project.
- **Uncertainty** – All the characteristics above result in uncertainty and this will always result in opportunities and threats. You cannot exclude this, you can only manage it. Projects are typically more risky than the normal business operations. Management of risk (uncertainty) is therefore a core focus of project management.

1.5 What is project management?

Project management is the planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, risks and benefits, see figure 1.1.

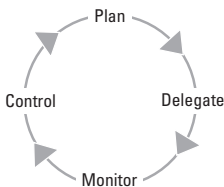


Figure 1.1 Project management cycle (Source: AXELOS)

The purpose of project management is to retain control over the specialist work required to create the project's products (products and services).

Project management, therefore, within this definition is not limited to the work of the project manager. Project management is a duty of all involved in the management of the project. This includes the executive, the other members of the project board, the project manager, the project support and the respective team managers.

1.6 What does a project manager do?

The project manager is responsible for the day-to-day management of the project, within the directions set by the executive/project board.

As part of this day-to-day management, the project manager is responsible for the planning, delegation, monitoring and control of the work to be carried out, as well as for the management of other aspects of the project, such as:

- Engagement of stakeholders to create support and commitment and to diminish resistance;
- Motivation of team members and all who are contributing to the project.

1.7 What is it all parties involved wish to control?

There are considered to be six basic aspects involved in any project:

- **Costs** – the costs involved to create the defined project products. This also includes the costs to manage the project.
- **Time** – the total lifecycle of the project and/or the date of handing over the project product.

- **Quality** – the product's ability to meet its requirements.
- **Scope** – what is included in the project works? What has to be delivered and what not? What work has to be carried out and what not?
- **Risks** – the management of threats as well as the management of the opportunities.
- **Benefits** – the benefits to be realized based on the project product.

PRINCE2 defines the project product as that which the project must deliver to be accepted. Project products are all products to be created during the project lifecycle including the management products.

In addition to these basic aspects, other aspects are often involved in projects, such as health, environment, safety and security. These aspects can be controlled as part of the quality aspect.

Chapter 2

Introduction to PRINCE2

PRINCE2 is a structured project management method, based on best practice.

PRINCE2 is a non-proprietary method. Project managers and others are free to use the method in their own practice.

PRINCE2 is truly generic. It can be applied to any project, regardless of scale, type, organization, geography or culture. However the method always has to be tailored to the project at hand.

PRINCE2 achieves this by isolating the management aspects of project work from the specialist contributions, such as design, construction, etc. However the specialist work can easily be integrated with the PRINCE2 method.

Because PRINCE2 is generic and based on proven principles, organizations can easily adopt the method as a standard and tailor it to their own organization and substantially improve their organizational capability to perform projects and deliver change.

PRINCE2 is protected by trademark. Professional training is restricted to Accredited Training Organizations and their Affiliates. See the Axelos website (www.axelos.com).

2.1 Structure of PRINCE2

The PRINCE2 method addresses project management from four different perspectives:

- **Principles** – are the guiding obligations of good practices which determine whether the project is genuinely being managed using PRINCE2.
- **Themes** – describe the aspects of project management that must be addressed continually and in parallel throughout the project. The themes explain the specific treatment required by PRINCE2 for various project management disciplines and why they are necessary.
- **Processes** – describe a step-wise progression through the project lifecycle. Each process provides checklists of recommended activities, products and related responsibilities.
- **Project environment** – relates to the tailoring of PRINCE2 to the specific context of the project. This context depends on specific project factors as well as environmental factors.

2.2 What makes a project a PRINCE2 project?

A project is considered a PRINCE2 project if at a minimum it applies:

- All seven PRINCE2 principles;
- The minimum requirements specified in the PRINCE2 themes;
- Processes that comply with the purpose and objectives of the PRINCE2 processes;
- All techniques recommended by PRINCE2 or equivalent alternative techniques.

2.3 What PRINCE2 does not provide

There are three broad areas which are deliberately left outside the scope of PRINCE2:

- **Specialist work** – PRINCE2's strength is in its wide application. Consequently industry-specific or type-specific activities are not within the scope of PRINCE2. However PRINCE2 can easily be aligned to specialist lifecycle models.
- **Techniques** – There are many proven planning and control techniques. Such techniques are well documented elsewhere. Techniques are only included in PRINCE2 when they contribute to the specific PRINCE2 treatment of a theme, e.g. the quality review technique in the quality theme.
- **Leadership capability** – Leadership and other social skills are inherently important in project management but impossible to codify in a method. Also these are well documented elsewhere. However the principles, themes and processes of PRINCE2 facilitate a good performance of these skills and thus contribute to the performance of the project too.

2.4 Customer/supplier environment

PRINCE2 is based on a customer/supplier environment. The customer is the person or group who commissioned the work and who will benefit from the project's products. A supplier is a person or group who is responsible for the delivery of (a part of) the project's products. In a project there may be several suppliers organizations.

Customers and suppliers can be part of the same organization. They can also be part of different organizations. Within the customer we can again recognize users and business representatives.

In commercial projects with different organizations, such as external suppliers, each organization may have its own business cases, management systems, governance, delivery approaches and corporate cultures.

A project can be a stand-alone project or a part of a programme or portfolio. PRINCE2 refers to the organization that commissions a project as the corporate, programme management or customer.

2.5 Benefits of PRINCE2

PRINCE2 delivers benefits to all parties concerned, especially the customers, suppliers and the project manager:

- Proven best practice, widely recognized;
- Can be applied to any type of project;
- Provides a common vocabulary and approach;
- Integrates easily with industry-specific standards;

- Allocates resources as part of the go/no-go moments;
- Thorough but economical structure of reports;
- Restricts meetings to only those that are essential;

- Promotes learning and continuous improvement;
- Promotes reuse of project assets, facilitates staff mobility;
- Availability of Accredited Training Organizations;

- Clear roles and responsibilities for all participants;
- Focus on continuous justification of the project;
- Participation of stakeholders in planning and decision making;
- Management by exception for all levels of the project;

- Product focus: what a project will deliver;
- Plans meet the needs of different levels of management;
- Quality control during whole lifecycle of the project;
- Manages business and project risks;
- Ensures relevant issues are escalated;
- Diagnostic tool for assurance and assessments.