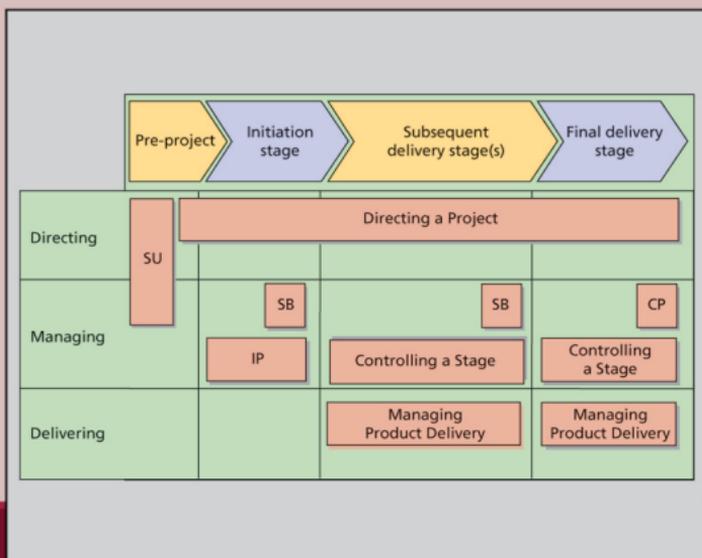


PRINCE2[®] 2009 Edition A Pocket Guide



Bert Hedeman
Ron Seegers



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PRINCE2® 2009 EDITION – A POCKET GUIDE

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PRINCE2[®] 2009 Edition A Pocket Guide

**Bert Hedeman
Ron Seegers**



Colophon

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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 newest update of the method has been published in June 2009.

PRINCE2® is now a registered trade mark of the Office of Government Commerce (OGC) in the United Kingdom and other countries. The APM Group Limited (APMG) has been licensed to provide certification to organizations, activities and persons related (but not limited to) projects, programmes and risk based on the methods developed by the British Government. These are managed from the company's UK head office, with the operational activities being provided through APMG's subsidiary offices.

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 mainly carried out under conditions where normal business operations cannot deliver properly. 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 bring all stakeholders together 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 support change.

As business change is becoming more and more important in the present governmental activities and business operations, projects nowadays are crucial in professional life.

1.4 What makes a project different from regular business?

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 also meeting its requirements in terms of delivering 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 introduce opportunities and threats. You cannot exclude this, you only can manage it. Projects are typically more risky than the normal business operations. Management of risk (uncertainty) is therefore at the core of project management.

1.5 What is project management?

Project management is the planning, delegation, 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, benefits and risks, see figure 1.1.

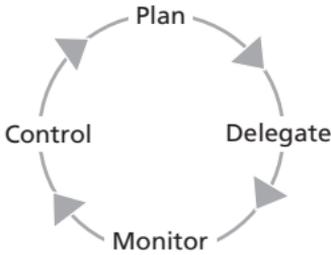


Figure 1.1 Project management cycle (Source: Managing Successful Projects with PRINCE2, produced by OGC)

The purpose of project management is to keep control over the specialist work required to create the project's products.

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 members of the Project Board, the Project Manager 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 works 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;
- Planning and monitoring of the benefits to be achieved in the customer organization through the project output;
- 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 products.

Quality – the product's ability to meet its requirements.

Scope – what is included in the project product? 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's output.

In addition to these basic aspects, other aspects are often involved in projects, such as health, environment, safety and security, together with issues such as support and commitment.

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 in 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 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 websites of the APMG and its subsidiary offices.

2.1 Structure of PRINCE2

The PRINCE2 method addresses project management from four different perspectives, see figure 2.1:

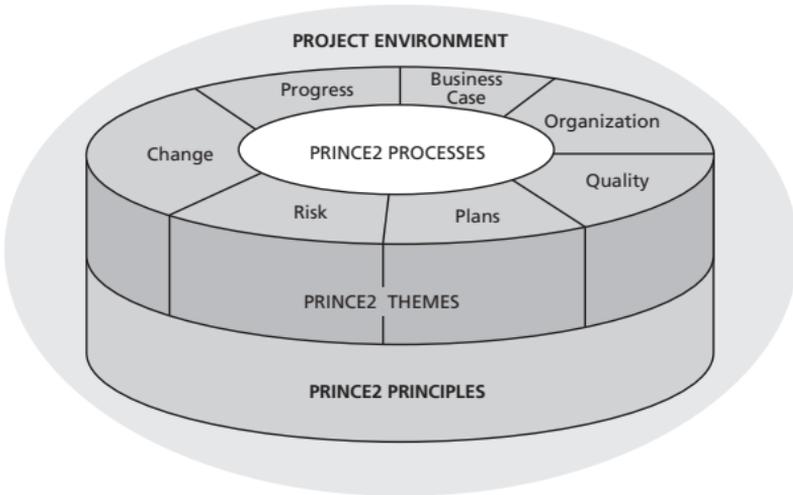


Figure 2.1 The structure of PRINCE2™ (Source: Managing Successful Projects with PRINCE2, produced by OGC)

1. **Seven Principles** – these are the guiding obligations and good practices which determine whether the project is genuinely being managed using PRINCE2. Unless all of them are applied, a project it is not considered a PRINCE2 project.
2. **Seven Themes** – these 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.
3. **Seven Processes** – these describe a step-wise progression through the project lifecycle. Each process provides checklists of recommended activities, products and related responsibilities.

4. **Tailoring PRINCE2** – this 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 Related OGC guidance

PRINCE2 is part of a suite of guidance, see figure 2.2, developed by the UK Office of Government Commerce (OGC), which is aimed at helping organizations and individuals manage their projects, programmes and services consistently and effectively.

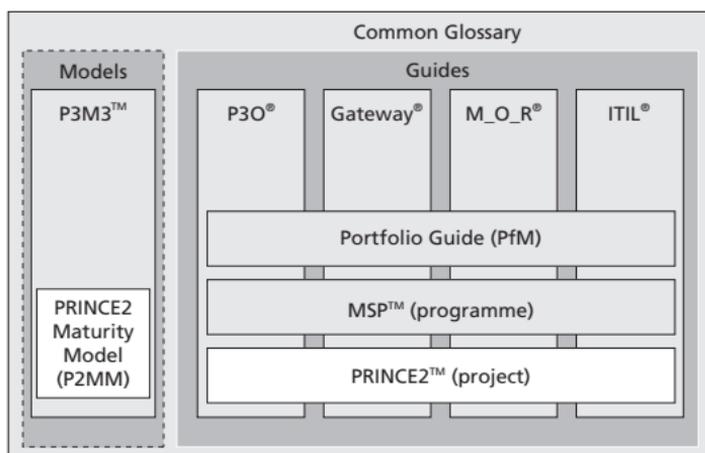


Figure 2.2 OGC Best Practice Guidance (Source: Managing Successful Projects with PRINCE2, produced by OGC)

P3M3™ – Portfolio, Programme and Project Management Maturity Model is a reference guide for structured best practice. It breaks down the broad disciplines of portfolio, programme and project management into hierarchy of Key Process Areas (KPA). P3M3 distinguishes five maturity levels.

P2MM – PRINCE2 Maturity Model describes a set of KPAs required for the effective implementation and use of PRINCE2 within an organization. P2MM is derived from P3M3.

P3O™ – P3O stands for Portfolio, Programme and Project Office. This framework provides guidance on how to define, establish and operate such an Office (Project Management Office, PMO).

Gateway™ – OGC Gateway Review Process is a well established project and programme assurance review process, which is mandated for all UK Government high-risk programmes and projects.

M_O_R® – Management of Risk puts the management of project risk into the context of the wider business environment.

ITIL® – IT Infrastructure Library provides a cohesive set of best practice guidance for IT service management.

PfM – Portfolio Management Guide explains the key principles of portfolio management.

MSP™ – Managing Successful Programmes – represents proven programme management best practice in successfully delivering transformational change.

2.3 What PRINCE2 does not provide

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

Specialist work – PRINCE2's strength is in its wide application. Consequently industry-specific or type-specific activities are outside 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 where they contribute to the specific PRINCE2 treatment of a theme, e.g. the product-based planning technique for developing plans.

Leadership capability – leadership and other social skills are inherently important in project management but impossible to codify in a method.