



FACULTY OF  
ECONOMICS AND  
ADMINISTRATION

MASARYKOVA UNIVERZITA

# Business Projects Course Student Manual



PRINCE2® is a Registered Trade Mark of AXELOS Limited  
The Swirl logo™ is a Trade Mark of AXELOS Limited



TRAINING ORGANIZATION ACCREDITED BY

APMG International ON BEHALF OF AXELOS



## Restriction on Use and Reproduction

This document is confidential and contains proprietary information and intellectual property of AXELOS Limited, APM Group Limited (APMG-International) and Masaryk University. Neither this document nor any of the information contained herein may be modified, copied, published, disclosed, distributed, displayed, exhibited, or reproduced in any manner, including but not limited to electronic or printed formats, or otherwise transferred to a third party without the prior written consent of an authorized representative of Masaryk University. This statement applies to all pages, appendices, annexes, attachments, or other materials accompanying this document.

Masaryk University is the Accredited Training Organisation responsible for compiling and / or creating this course material.

Referencing for materials taken from the official PRINCE2 Manual is done via the statement: Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited.

Direct quotes from reference material are cited using Harvard Style in-text referencing. The following reference materials are cited in this document:

1. Axelos, 2009. *Managing Successful Projects with PRINCE2® 2009 Edition Manual*. 2009 Edition. The Stationery Office

PRINCE2® is a Registered Trade Mark of AXELOS Limited, The Swirl Logo is a Trademark of AXELOS Limited. APMG is the accreditation body responsible for approving this Participant Guide.

# Message to Students

---

Welcome to the Masaryk University, Faculty of Economics, Business Projects Course. This course is based on the 2009 version of PRINCE2 and is designed to teach you the fundamentals of the method.

PRINCE2, *Projects in a Controlled Environment 2<sup>nd</sup> version*, is an industry recognised, structured, project management methodology which is recognised worldwide. It was first released in 1989 and is a product-based approach to project management, providing an easily tailored method for the management of all types of projects in all domains.

Our goal is to provide the best training possible in project and programme management. To that end, our lecturers are not only faculty members of the University but are also highly respected industry professionals with extensive, international, project and programme management experience. This proficiency is an invaluable asset when it comes to explaining how the PRINCE2 method is used in some of the most challenging project environments.

We thank you for choosing to take this course here at the Masaryk University, Faculty of Economics and Administration. We strive to deliver the best learning experience possible and trust that you will find your time with us enlightening and rewarding.

# Table of Contents

---

<b>SECTION I - DOCUMENT CONTROL SECTION .....</b>	<b>5</b>
<b>SECTION II - COURSE DETAILS.....</b>	<b>6</b>
1 COURSE MATERIALS .....	6
2 COURSE OBJECTIVES.....	6
3 FOUNDATION CERTIFICATION EXAM.....	6
4 COURSE FEEDBACK.....	6
5 COURSE SCHEDULE.....	7
6 REQUIRED READING.....	8
7 GRADING.....	9
<b>SECTION III - PRE-COURSE READING AND INSTRUCTIONS.....</b>	<b>10</b>
1 INTRODUCTION TO PRINCE2.....	10
1.1 The importance of projects .....	10
1.2 What makes projects different?.....	11
1.3 Why have a project management method?.....	11
1.4 Introducing PRINCE2 .....	11
1.5 Benefits of PRINCE2.....	14
2 INTRODUCTION TO PRINCE2 PRINCIPLES .....	15
2.1 Continued business justification .....	16
2.2 Learn from experience .....	16
2.3 Defined roles and responsibilities .....	17
2.4 Manage by stages.....	17
2.5 Manage by exception .....	18
2.6 Focus on products .....	18
2.7 Tailor to suit the project environment.....	19
3 INTRODUCTION TO PRINCE2 THEMES .....	19
3.1 Applying the themes .....	20
4 INTRODUCTION TO PRINCE2 PROCESSES.....	21
4.1 Pre-project.....	21
4.2 Initiation stage.....	21
4.3 Subsequent delivery stages.....	22
4.4 Final delivery stage.....	22
<b>SECTION IV - CASE STUDY &amp; SEMINAR EXERCISES .....</b>	<b>24</b>

<b>SECTION V - COURSE SLIDES</b> .....	<b>25</b>
<b>SECTION VI - VISUAL AIDS</b> .....	<b>109</b>
1 PRINCE2 ELEMENTS.....	109
2 PRINCE2 MANAGEMENT BY STAGES .....	109
3 PRINCE2 LIFECYCLE.....	110
<b>APPENDIX A - CASE STUDY</b>	
<b>APPENDIX B - EXAM GUIDANCE</b>	
<b>APPENDIX C - BUSINESS BENEFITS PAPER</b>	

# Section I - Document Control Section

## DOCUMENT HISTORY

This document is only valid at the moment it was printed. The source document is under configuration management control and can be viewed on-line through the Masaryk University Information System. Only those printed copies distributed under configuration control and documented in the Document Distribution Section below are deemed valid after printing up until recalled by the course sponsor.

## REFERENCES

- A. AXELOS: PRINCE2\_2009\_-\_Syllabus\_2011\_V1.5
- B. APMG-International: ATO Course Content Assessment Standards v1.2
- C. APMG-International: Material Assessments - Standards Guidance v1.3

## PRODUCT IDENTIFIER

BPH-BUPR-SG-2017-01

Revision Date	Summary of Changes	Version
17/02/2017	Original Version	01

## DOCUMENT REVIEW

Name	Signature	Date	Version
Petr Smutný, PMCE Coordinator		17/02/2017	01
Tuck MacRae		17/02/2017	01

## DOCUMENT APPROVAL

Name	Signature	Date	Version
Petr Smutný, PMCE Coordinator		17/02/2017	01

# Section II - Course Details

---

## 1 COURSE MATERIALS

The course materials consist of this student guide, the *Managing Successful Projects with PRINCE2® 2009 Edition Manual*, and the 2017 Seminar Exercise Book. The manual is an invaluable tool in understanding the PRINCE2 method; all of the learning materials contained in this guide are either taken from or derived from the manual. At the end of the manual, there is a comprehensive glossary. It is highly recommended that you review the glossary regularly to familiarize yourself with the PRINCE2 terminology. The manual is also a very useful resource when doing the seminar exercises contained in the 2017 Seminar Exercise Book.

## 2 COURSE OBJECTIVES

The main objective of this course is to provide students with an understanding of the structure and key terminology of the method. This includes creating an understanding of the need for project management and how PRINCE2 meets this need. Upon completion of the course, students will be familiar with the characteristics and context of a project and the benefits of adopting PRINCE2. They will understand the purpose of the PRINCE2 roles, management products, themes, and principles, and they will be aware of what decisions the project manager is expected to make. Lastly, they will be fully versed in the purpose, objectives and context of the PRINCE2 processes and be well prepared to take the PRINCE2 Foundation Certification Examination.

## 3 FOUNDATION CERTIFICATION EXAM

The Foundation qualification confirms that an individual has sufficient knowledge and understanding of the PRINCE2 method to be able to work effectively with, or as a member of, a project management team working within an environment supporting PRINCE2. It is also a pre-requisite for the Practitioner qualification. As part of this course, students will have the opportunity to write two sample exams, one of which will account for 60% of their final grade.

It is always best to answer all the questions as marks are **not** subtracted for incorrect answers. It is important to note that there will only ever be **one answer** to each question; if you select more than one answer, no marks can be given for that question.

## 4 COURSE FEEDBACK

We are committed to ensuring an excellent working and learning environment, and we are also dedicated to delivering the highest achievable level of service to our students. As such, we follow a rigorous, continuous improvement process. Part of this process includes receiving feedback from students, analysing the feedback, and using it to make improvements where necessary. For this reason, please take the time to make your views known. You may submit feedback electronically through the Information system or via email to either of the course lecturers. Your opinion is very important to us, and we thank you for your input.

## 5 COURSE SCHEDULE

Class	Date	Topics	Lecturer
Lecture 1	Wednesday, February 22, 2017	<b>Course Introduction</b>	<b>Both</b>
Lecture 2	Thursday, February 23, 2017	Introduction to PRINCE2® PRINCE2® Lifecycle & the PRINCE2® processes Tailoring PRINCE2®	Tuck MacRae
Lecture 3	Thursday, March 2, 2017	Organisation Theme Business Case Theme, Benefit Review Plan	Tuck MacRae
Lecture 4	Thursday, March 9, 2017	PRINCE2 Plans Theme Product Based Planning	Tuck MacRae
Lecture 5	Thursday, March 16, 2017	Progress Theme.	Dr. Smutný
Lecture 6	Thursday, March 23, 2017	Quality Theme & Quality Management Quality Review Technique	Tuck MacRae
Lecture 7	Thursday, March 30, 2017	Change Theme & Configuration Management	Tuck MacRae
Lecture 8	Wednesday, April 5, 2017	Risk Theme Risk Management	Dr. Smutný
Seminar 1	Thursday, April 6, 2017	Case Study Review, Starting up the Razorback Project, Class Exercise: The Organisation	Tuck MacRae
Seminar 2	Wednesday, April 12, 2017	Starting up Class Exercise: The Project Brief.	Tuck MacRae
Seminar 3	Thursday, April 13, 2017	Initiating the Razorback Project, Class Exercise, Initiation Stage Activities and Creating Documents	Tuck MacRae
Seminar 4	Wednesday, April 19, 2017	Individual Graded Activity, Exercise, Creating the PID.	Tuck MacRae
Seminar 5	Thursday, April 20, 2017	Managing Progress Class Exercise, Handling Events and Daily Activities with Logs and Registers	Dr. Smutný
Seminar 6	Wednesday, April 26, 2017	Individual Graded Activity, Exercise 6, Managing Progress & Delivery Stage Activities	Dr. Smutný
Seminar 07	Thursday, April 27, 2017	Closing a Project Class Exercise	Dr. Smutný
Seminar 08	Wednesday, May 3, 2017	Individual Graded Activity, Exercise 7, Closure	Dr. Smutný
Seminar 09	Wednesday, May 10, 2017	PRINCE2 Foundation Practice Exam	Dr. Smutný
Seminar 10	Thursday, May 11, 2017	PRINCE2 Foundation Practice Exam, Review	Dr. Smutný
Seminar 11	Wednesday, May 17, 2017	Course Foundation Exam	Dr. Smutný
Seminar 12	May 18, 2017	Course Exam Feedback and Round Table	<b>Both</b>



**6 REQUIRED READING**

<b>Lecture / Seminar</b>	<b>Required Reading Prior to Class</b>
Lecture 2	Read sections I through III of the Student Guide found in the IS Read pages 3 to 18 and pages 215 to 231 of Managing Successful Projects
Lecture 3	Read pages 21 to 43, plus Appendices A.1, Benefit Review Plan and A.2, Business Case
Lecture 4	Read pages 61 to 73 and pages 279 to 283 of Managing Successful Projects plus, Appendices: A.16, Plans A.17, Product Description A.21, Project Product Description
Lecture 5	Read pages 101 to 110 of Managing Successful Projects, and Appendices: A.3, Checkpoint Report A.7, Daily Log A.8, End Project Report A.9, End Stage Report A.11, Highlight Report A.12, Issue Register A.14, Lessons Log A.15, Lessons Report A.18, Product Status Account A.23 Quality Register A.25, Risk Register A.26 Work Package
Lecture 6	Read Pages 47 to 58 of Managing Successful Projects and Appendix A.22, Quality Management Strategy
Lecture 7	Read pages 91 to 97 of Managing Successful Projects and Appendices: A.5, Configuration Item Records A.6, Configuration Management Strategy A.12, Issue Register A.13, Issue Report A.18, Product Status Account
Lecture 8	Read pages 77 to 88 of Managing Successful Projects and Appendices: A.24, Risk Management Strategy A.25, Risk Register
Seminar 1	Read the Czech Razorbacks case study in the Student Guide. Read pages 113 to 145 of Managing a Successful Project plus Appendices: A.2, Business Case A.7, Daily Log A.14, Lessons Log A.16, Plans A.21, Project Product Description A.19, Project Brief
Seminar 2	Memorize the composition section of Appendix A.19, Project Brief
Seminar 3	Read Pages 149 to 164 of Managing Successful Projects plus Appendices: A.20, Project Initiation Documentation A.4, Communication Management Strategy A.6, Configuration Management Strategy A.22, Quality Management Strategy A.24, Risk Management Strategy A.16, Plans A.2 Business Case A.1, Benefits Review Plan

Lecture / Seminar	Required Reading Prior to Class
Seminar 4	Memorize the composition section of each document in the PID and the PID itself
Seminar 5	Read pages 167 to 202 of Managing Successful Projects and Appendices: A.3, Checkpoint Report A.5, Configuration Item Records A.7, Daily Log A.9, End Stage Report A.10, Exception Report A.11, Highlight Report A.12, Issue Register A.13, Issue Report A.14, Lessons Log A.23, Quality Register A.25, Risk Register A.26, Work Package
Seminar 07	Read pages 205 to 212 of Managing Successful Projects and Appendix A.8, End Project Report
Seminar 08	Read about premature closure and review log, register and document creation exercises
Seminar 09	Read Appendix B of the Student Manual
Seminar 11	Study for the exam

## 7 GRADING

Type	Description	Duration	Date	(%)
Graded Activity 1	Project Initiation Documentation	60 min	Wednesday, April 19, 2017	10
Graded Activity 2	Delivery Stage Activities	60 min	Wednesday, April 26, 2017	15
Graded Activity 3	Closure	60 min	Wednesday, May 3, 2017	15
Exam	Foundation Exam	60 min	Wednesday, May 17, 2017	60

# Section III - Pre-course Reading and Instructions

---

The material contained in this section has been extracted from *Managing Successful Projects with PRINCE2®, 2009 Edition*. Copyright © AXELOS Limited 2009. Material is reproduced here under licence from AXELOS.

## 1 INTRODUCTION TO PRINCE2

PRINCE2 (Projects in a Controlled Environment) is a structured project management method based on experience drawn from thousands of projects – and from the contributions of countless project sponsors, Project Managers, project teams, academics, trainers and consultants. This manual is designed:

- For entry-level project management personnel wishing to learn about project management generally and the PRINCE2 method in particular.
- For experienced Project Managers and personnel who wish to learn about the PRINCE2 method.
- As a detailed reference source for PRINCE2 practitioners.
- As a source of information on PRINCE2 for managers considering whether to adopt the method.

The manual covers the questions frequently asked by people involved in project management and support roles. These questions include:

- What is expected of me?
- What does the Project Manager do?
- What do I do if things don't go to plan?
- What decisions am I expected to make?
- What information do I need or must I supply?
- Who should I look to for support? For direction?
- How can I tailor the use of PRINCE2 for my project?

### 1.1 The importance of projects

A key challenge for organizations in today's world is to succeed in balancing two parallel, competing imperatives:

- To maintain current business operations – profitability, service quality, customer relationships, brand loyalty, productivity, market confidence etc. What we term 'business as usual.'
- To transform business operations in order to survive and compete in the future – looking forward and deciding how business change can be introduced to best effect for the organization.

As the pace of change (technology, business, social, regulatory etc.) accelerates, and the penalties of failing to adapt to change become more evident, the focus of management attention is inevitably moving to achieve a balance between business as usual and business change.

Projects are the means by which we introduce change – and, while many of the skills required are the same, there are some crucial differences between managing business as usual and managing project work.

### 1.2 What makes projects different?

*“A project is a temporary organization that is created for the purpose of delivering one or more business products according to an agreed Business Case.”*

There are a number of characteristics of project work that distinguish it from business as usual:

- Change Projects are the means by which we introduce change.
- Projects are temporary in nature. Once the desired change has been implemented, business as usual resumes (in its new form) and the need for the project is removed. Projects should have a defined start and a defined end.
- Cross-functional Projects involve a team of people with different skills working together (on a temporary basis) to introduce a change that will impact others outside the team. Projects often cross the normal functional divisions within an organization and sometimes span entirely different organizations. This frequently causes stresses and strains both within organizations and between, for example, customers and suppliers. Each has a different perspective and motivation for getting involved in the change.
- Every project is unique. An organization may undertake many similar projects, and establish a familiar, proven pattern of project activity, but each one will be unique in some way: a different team, a different customer, a different location. All these factors combine to make every project unique.
- The characteristics already listed will introduce threats and opportunities over and above those we typically encounter in the course of business as usual; projects are more risky.

### 1.3 Why have a project management method?

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, benefits and risks.

It is the development of the project's deliverables (known as products in PRINCE2) that deliver the project's results. A new house is completed by creating drawings, foundations, floors, walls, windows, a roof, plumbing, wiring and connected services. None of this is project management – so why do we need project management at all? The purpose of project management is to keep control over the specialist work required to create the project's products or, to continue with the house analogy, to make sure the roofing contractor does not arrive before the walls are built.

Additionally, given that projects are the means by which we introduce business change, and that project work entails a higher degree of risk than other business activity, it follows that implementing a secure, consistent, well-proven approach to project management is a valuable business investment.

### 1.4 Introducing PRINCE2

PRINCE2 is a non-proprietary method and has emerged worldwide as one of the most widely accepted methods for managing projects. This is largely due to the fact that PRINCE2 is truly generic: it can be applied to any project regardless of project scale, type, organization, geography or culture.

PRINCE2 achieves this by isolating the management aspects of project work from the specialist contributions, such as design, construction etc. The specialist aspects of any type of project are easily integrated with the PRINCE2 method and, used alongside PRINCE2, provide a secure overall framework for the project work.

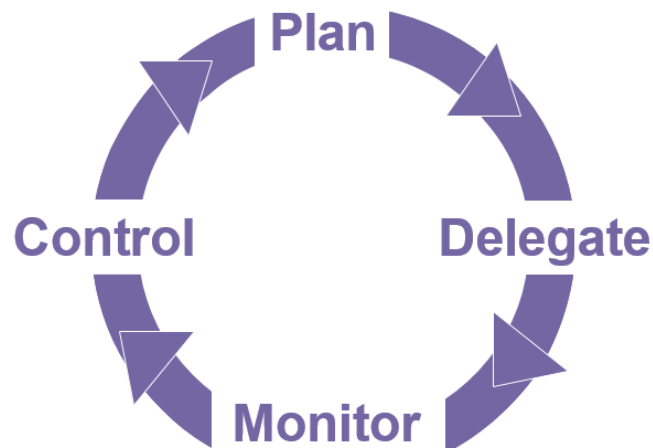
Because PRINCE2 is generic and based on proven principles, organizations adopting the method as a standard can substantially improve their organizational capability and maturity across multiple areas of business activity – business change, construction, IT, mergers and acquisitions, research, product development and so on.

In order to achieve control over anything, there must be a plan. It is the Project Manager who plans the sequence of activities to build the house, works out how many bricklayers will be required and so on.

It may be possible to build the house yourself – but being a manager implies that you will student some or all of the work to others. The ability to student is important in any form of management but particularly so (because of the cross-functionality and risks) in project management.

With the studentd work under way, the aim is that it should ‘go according to plan’, but we cannot rely on this always being the case. It is the Project Manager’s responsibility to monitor how well the work in progress matches the plan.

Of course, if work does not go according to plan, the Project Manager has to do something about it, for example, exert control. Even if the work is going well, the Project Manager may spot an opportunity to speed it up or reduce costs. Whether it is by taking corrective action or implementing measures to improve performance, the aim of PRINCE2 is to make the right information available at the right time for the right people to make the right decisions.



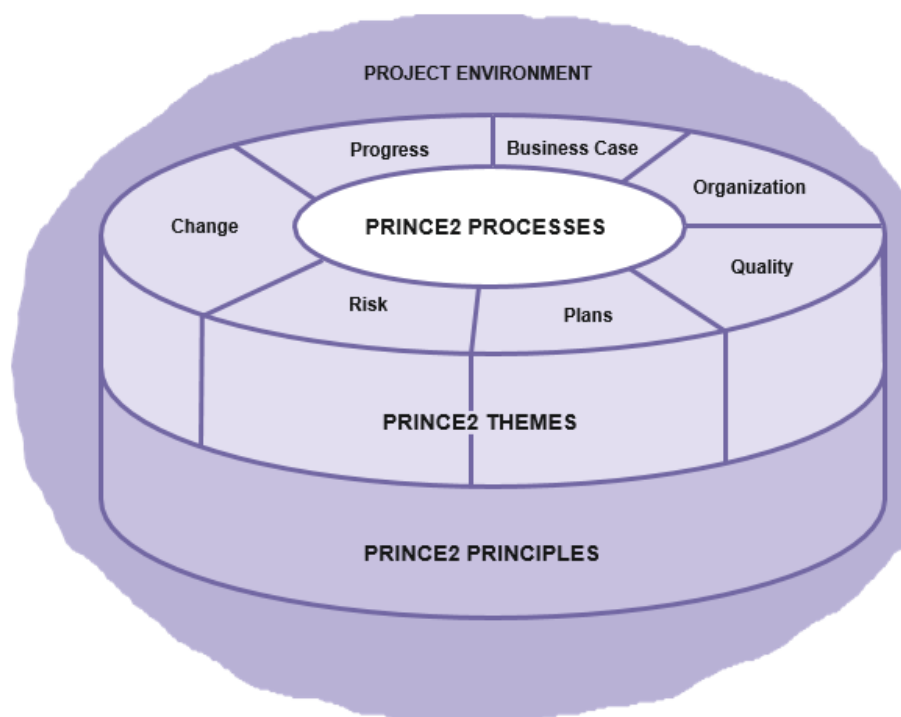
There are six variables involved in any project, and therefore six aspects of project performance to be managed:

- **Costs:** The project has to be affordable and, though we may start out with a particular budget in mind, there will be many factors which can lead to overspending and, perhaps, some opportunities to cut costs.
- **Timescales:** Allied to this, and probably the next most-frequent question asked of a Project Manager, is: ‘When will it be finished?’
- **Quality:** Finishing on time and within budget is not much consolation if the result of the project does not work. In PRINCE2 terms, the project’s products must be fit for purpose.

- **Scope:** Exactly what will the project deliver? Without knowing it, the various parties involved in a project can very often be talking at cross-purposes about this. The customer may assume that, for instance, a fitted kitchen and/or bathroom is included in the price of the house, whereas the supplier views these as 'extras'. On large-scale projects, scope definition is much more subtle and complex. There must be agreement on the project's scope, and the Project Manager needs to have a detailed understanding of what is and what is not within the scope. The Project Manager should take care not to deliver beyond the scope as this is a common source of delays, overspends and uncontrolled change ('scope creep').
- **Risk:** All projects entail risks, but exactly how much risk are we prepared to accept? Should we build the house near the site of a disused mine, which may be prone to subsidence? If we decide to go ahead, is there something we can do about the risk? Maybe insure against it or have thorough surveys carried out?
- **Benefits:** Perhaps most often overlooked is the question, 'Why are we doing this?' It is not enough to build the house successfully on time, within budget and to quality specifications if, in the end, we cannot sell or rent it at a profit or live in it happily. The Project Manager has to have a clear understanding of the purpose of the project as an investment and make sure that what the project delivers is consistent with achieving the desired return.

PRINCE2 is an integrated framework of processes and themes that addresses the planning, delegation, monitoring and control of all these six aspects of project performance.

The PRINCE2 method addresses project management with four integrated elements of principles, themes, processes and the project environment.



**The principles** (Chapter 2) are the guiding obligations and good practices which determine whether the project is genuinely being managed using PRINCE2. There are seven principles, and unless all of them are applied, it is not a PRINCE2 project.

**The themes** (Chapters 3 to 10) describe aspects of project management that must be addressed continually and in parallel throughout the project. The seven themes explain the specific treatment required by PRINCE2 for various project management disciplines, and why they are necessary.

**The processes** (Chapters 11 to 18) describe a step-wise progression through the project lifecycle, from getting started to project closure. Each process provides checklists of recommended activities, products and related responsibilities.

**Tailoring PRINCE2** to the project environment (Chapter 19) addresses the need to tailor PRINCE2 to the specific context of the project. PRINCE2 is not a 'one size fits all' solution; it is a flexible framework that can readily be tailored to any type or size of project.

It is not intended (or possible) for PRINCE2 to cover every aspect of project management. There are three broad topic categories which are deliberately considered to be outside the scope of PRINCE2:

- **Specialist aspects.** PRINCE2's strength is in its wide applicability – it is entirely generic. Consequently, industry-specific or type-specific activity is excluded. Engineering models, project lifecycles or specific techniques (such as organizational change management or procurement) can readily be used alongside PRINCE2. PRINCE2 categorizes all of these aspects of project work as 'specialist' (which means that the specialist products concerned need to be identified and included within project scope and plans).
- **Detailed techniques.** There are many proven planning and control techniques that can be used in support of the PRINCE2 themes. Examples are critical path analysis (in planning) and earned value analysis (in progress control). Such techniques are well documented elsewhere. Only techniques that have a specific PRINCE2 approach are described, e.g. the product-based planning and quality review techniques.
- **Leadership capability.** Leadership, motivational skills and other interpersonal skills are immensely important in project management but impossible to codify in a method. Leadership styles vary considerably, and a style that works in one situation may be entirely inappropriate in another. The fact that it is easy to think of successful leaders who have adopted very different styles – from autocratic to consensus-based – bears this out. For this reason, PRINCE2 cannot address this aspect of project management directly. There are many leadership models and interpersonal-skills training programmes that fulfil this requirement.

### 1.5 Benefits of PRINCE2

Before introducing the structure of the method, it is worthwhile reviewing the key benefits of adopting PRINCE2:

- PRINCE2 embodies established and proven best practice and governance for project management. It can be applied to any type of project – and can easily be implemented alongside specialist, industry-specific models ('engineering models' or 'development lifecycles').
- PRINCE2 is widely recognized and understood, and therefore provides a common vocabulary for all project participants – promoting effective communication.
- PRINCE2 provides for the explicit recognition of project responsibilities – so that participants understand each other's roles and needs. There is a defined structure for accountability, delegation, authority and communication.
- Its product focus clarifies (for all parties) what a project will deliver, why, when, by whom and for whom.

- PRINCE2 plans are carefully designed to meet the needs of the different levels in the management team, improving communication and control.
- It is based on a 'management by exception' framework, providing for the efficient and economic use of management time (whether at corporate, programme, Project Board or project management levels).
- PRINCE2 ensures that participants focus on the viability of the project in relation to its Business Case objectives – rather than simply seeing the completion of the project as an end in itself.
- It defines a thorough but economical structure of reports.
- It ensures that stakeholders (including sponsors and resource providers) are properly represented in planning and decision making.
- Adopting PRINCE2 promotes learning and continual improvement in organizations.
- PRINCE2 promotes consistency of project work and the ability to reuse project assets; it also facilitates staff mobility and reduces the impact of personnel changes/handovers.
- PRINCE2 is an invaluable diagnostic tool, facilitating the assurance and assessment of project work, troubleshooting and audits.
- There are scores of accredited training and consultancy organizations (ATOs and ACOs) operating worldwide, who can supply expert support for PRINCE2 projects or for organizations planning to adopt PRINCE2.

## 2 INTRODUCTION TO PRINCE2 PRINCIPLES

The purpose of PRINCE2 is to provide a project management method that can be applied regardless of project scale, type, organization, geography or culture. This is possible because PRINCE2 is principles-based.

Principles are characterized as:

- Universal in that they apply to every project.
- Self-validating in that they have been proven in practice over many years.
- Empowering because they give practitioners of the method added confidence and ability to influence and shape how the project will be managed.

The principles on which PRINCE2 is based originate from lessons learned from projects both good and bad. They provide a framework of good practice for those people involved in a project. If a project does not adhere to these principles, it is not being managed using PRINCE2, because the principles are the basis of what defines a PRINCE2 project.

The seven PRINCE2 principles can be summarized as:

- Continued business justification.
- Learn from experience.
- Defined roles and responsibilities.
- Manage by stages.
- Manage by exception.
- Focus on products.]
- Tailor to suit the project environment.

It is the adoption of these principles that characterizes whether a project is using PRINCE2; the adoption of processes and documents alone does not fully define its usage. The principles facilitate good use of PRINCE2 by ensuring that the method is not applied in an overly prescriptive way or in name only, but it is applied in a way that is sufficient to contribute to the success of the project.



## 2.1 *Continued business justification*

A PRINCE2 project has continued business justification.

A requirement for a PRINCE2 project is that:

- There is a justifiable reason to start it.
- The justification should remain valid throughout the life of the project.
- The justification is documented and approved.

In PRINCE2, the justification is documented in a Business Case. As a project is inextricably linked to its business justification, it drives the decision-making processes to ensure that the project remains aligned to the business objectives and benefits being sought.

Organizations that lack rigour in developing Business Cases may find that some projects proceed even where there are few real benefits, or where a project has only tentative associations with corporate strategy. Poor alignment with corporate strategies can also result in organizations having a portfolio of projects that have mutually inconsistent or duplicated objectives.

Even projects that are compulsory (for example, to comply with new legislation) require justification of the option chosen, as there may be several options available that yield different costs, benefits and risks.

Although the justification should remain valid, it may change. It is therefore important that the project and evolving justification remain consistent.

If, for whatever reason, the project can no longer be justified, the project should be stopped. Stopping a project in these circumstances is a positive contribution to an organization as its funds and resources can be reinvested in other more worthwhile projects.

## 2.2 *Learn from experience*

PRINCE2 project teams learn from previous experience: lessons are sought, recorded and acted upon throughout the life of the project.

Projects involve a temporary organization for a finite timescale for a specific business purpose. A common characteristic is that the project includes an element of uniqueness such that it cannot be managed by existing line management or functional units. It is this element of uniqueness that makes projects challenging as the temporary team may not have experience of a project like the one being undertaken.

In PRINCE2, learning from experience permeates the method:

- When **starting a project**: previous or similar projects should be reviewed to see if lessons learned could be applied. If the project is a 'first' for the people within the organization, then it is even more important to learn from others, and the project should consider seeking external experience.
- As the **project progresses**: the project should continue to learn. Lessons should be included in all reports and reviews. The goal is to seek opportunities to implement improvements during the life of the project.
- As the **project closes**: the project should pass on lessons. Unless lessons provoke change, they are only lessons identified (not learned).

It is the responsibility of everyone involved with the project to seek lessons learned rather than waiting for someone else to provide them.

### 2.3 *Defined roles and responsibilities*

A PRINCE2 project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests.

Projects involve people; no amount of good planning or control will help if the wrong people are involved, if the right people are not involved, or if people involved do not know what's expected of them or what to expect of others.

A project is typically cross-functional, may involve more than one organization, and may involve a mixture of full-time and part-time resources. The management structures of the parties involved in the project are likely to be different – with different priorities, objectives and interests to protect. The day-to-day line management structures may not be designed for, or suited to, project work.

To be successful, projects must have an explicit project management team structure consisting of defined and agreed roles and responsibilities for the people involved in the project. This requires a means for effective communication between them.

All projects have the following primary stakeholders:

- **'Business'** sponsors who endorse the objectives and ensure that the business investment provides value for money.
- **'Users'** who, after the project is completed, will use the products to enable them to gain the intended benefits.
- **'Suppliers'** who provide the resources and expertise required by the project (these may be internal or external).

Therefore, all three stakeholder interests need to be represented effectively in the project management team – two out of three is not enough. If the project costs outweigh the benefits, the project will fail. Equally, if the outcome of the project does not meet the users' or operational needs, or cannot feasibly be delivered by the suppliers, failure is inevitable.

The defined project management team structure unites the various parties in the common aims of the project. For all those people involved, a defined project management team structure provides the answer to the question, 'What is expected of me?'

### 2.4 *Manage by stages*

A PRINCE2 project is planned, monitored and controlled on a stage-by-stage basis.

Management stages provide senior management with control points at major intervals throughout the project. At the end of each stage, the project's status should be assessed, the Business Case and plans reviewed to ensure that the project remains viable, and a decision made as to whether to proceed.

Breaking the project into a number of stages enables the extent of senior management control over projects to be varied according to the business priority, risk and complexity involved. Shorter stages offer more control, while longer stages reduce the burden on senior management.

Planning can only be done to a level of detail that is manageable and foreseeable. A great deal of effort can be wasted on attempts to plan beyond a sensible planning horizon. For example, a detailed plan to show what each team member is doing for the next 12 months will almost certainly be inaccurate after just a few weeks. A detailed Team Plan for the short term, and an outline plan for the long term is a more effective approach.

PRINCE2 overcomes the planning horizon issue by:

- Dividing the project into a number of management stages.
- Having a high-level Project Plan and a detailed Stage Plan (for the current stage).
- Planning, delegating, monitoring and controlling the project on a stage-by-stage basis.

PRINCE2 requires there to be a minimum of two management stages: one initiation stage and one or more further management stages.

## 2.5 *Manage by exception*

A PRINCE2 project has defined tolerances for each project objective to establish limits of studentd authority.

PRINCE2 enables appropriate governance by defining distinct responsibilities for directing, managing and delivering the project and clearly defining accountability at each level.

Accountability is established by:

- Delegating authority from one management level to the next by setting tolerances against six objectives for the respective level of the plan:
  - Time Plus or minus an amount of time on the target completion dates.
  - Cost Plus or minus an amount of the planned budget.
  - Quality Plus or minus degrees off a quality target (e.g. a product that weighs a target 300 g, with an allowed -5 g to +10 g tolerance).
  - Scope Permissible variation of the plan's products (e.g. mandatory requirements plus or minus desirable requirements).
  - Risk Limits on the plan's aggregated risks (e.g. cost of aggregated threats to remain less than 10% of the plan's budget) or limits on any individual threat (e.g. a threat to operational service).
  - Benefit Plus or minus degrees off an improvement goal (e.g. 30–40% cost reduction).
- Setting up controls so that if those tolerances are forecast to be exceeded, they are immediately referred up to the next management layer for a decision on how to proceed.
- Putting an assurance mechanism in place so that each management layer can be confident that such controls are effective.

This implementation of 'management by exception' provides for very efficient use of senior management time as it reduces senior managers' time burden without removing their control by ensuring decisions are made at the right level in the organization.

## 2.6 *Focus on products*

A PRINCE2 project focuses on the definition and delivery of products, in particular their quality requirements.

A successful project is output-oriented not activity-oriented. An output-oriented project is one that agrees and defines the project's products prior to undertaking the activities required to produce them. The set of agreed products defines the scope of a project and provides the basis for planning and control.

The purpose of a project is to fulfil stakeholder expectations in accordance with the business justification, and to do this, there must be a common understanding of the products required and the quality expectations for them. The purpose of a project can be interpreted in many different ways. To secure the project's meaning, there should be an explicit understanding of the products

to be produced, and the criteria against which they will be individually approved should be specified.

A PRINCE2 project uses Product Descriptions to provide such clarity by defining each product's purpose, composition, derivation, format, quality criteria and quality method. They provide the means to determine effort estimates, resource requirements, dependencies and activity schedules.

The 'product focus' supports almost every aspect of PRINCE2: planning, responsibilities, status reporting, quality, change control, scope, configuration management, product acceptance and risk management.

Without a product focus, projects are exposed to several major risks such as acceptance disputes, rework, uncontrolled change ('scope creep'), user dissatisfaction and underestimation of acceptance activities.

## **2.7 Tailor to suit the project environment**

PRINCE2 is tailored to suit the project's environment, size, complexity, importance, capability and risk.

The value of PRINCE2 is that it is a universal project management method that can be applied regardless of project type, organization, geography or culture. It can be used by any project because the method is designed to be tailored to its specific needs.

If PRINCE2 is not tailored, it is unlikely that the project management effort and approach are appropriate for the needs of the project. This can lead to 'robotic' project management at one extreme (the method is followed without question) or 'heroic' project management at the other extreme (the method is not followed at all).

The purpose of tailoring is to:

- Ensure the project management method relates to the project's environment (e.g. aligning the method to the business processes that may govern and support the project, such as human resources, finance and procurement).
- Ensure that project controls are based on the project's scale, complexity, importance, capability and risk (e.g. the reporting and reviewing frequency and formality).

Tailoring requires the Project Manager and the Project Board to make an active decision on how the method will be applied, for which guidance is provided. When tailoring PRINCE2, it is important to remember that it requires information (not necessarily documents) and decisions (not necessarily meetings).

To ensure that all those people involved with the project understand how PRINCE2 is to be used, the Project Initiation Documentation should state how the method is being tailored for that particular project.

## **3 INTRODUCTION TO PRINCE2 THEMES**

The PRINCE2 themes describe aspects of project management that must be addressed continually. Any Project Manager who gives thorough attention to these themes will fulfil the role in a professional manner.

However, the strength of PRINCE2 is the way in which the seven themes are integrated, and this is achieved because of the specific PRINCE2 treatment of each theme (i.e. they are carefully designed to link together effectively).

The PRINCE2 processes address the chronological flow of the project – with actions relating to different themes mixed together. Here, the logical thread that runs through each theme is highlighted, and more detailed guidance is provided in order to amplify the process activities. The following table taken from the manual lists the seven PRINCE2 themes and the relevant chapter.

Theme	Description	Answers	Chapter
<b>Business Case</b>	The project starts with an idea which is considered to have potential value for the organization concerned. This theme addresses how the idea is developed into a viable investment proposition for the organization and how project management maintains the focus on the organization's objectives throughout the project.	Why?	4
<b>Organization</b>	The organization sponsoring the project needs to allocate the work to managers who will be responsible for it and steer it through to completion. Projects are cross-functional so the normal line function structures are not suitable. This theme describes the roles and responsibilities in the temporary PRINCE2 project management team required to manage the project effectively.	Who?	5
<b>Quality</b>	The initial idea will only be understood as a broad outline. This theme explains how the outline is developed so that all participants understand the quality attributes of the products to be delivered – and then how project management will ensure that these requirements are subsequently delivered.	What?	6
<b>Plans</b>	PRINCE2 projects proceed on the basis of a series of approved plans. This theme complements the Quality theme by describing the steps required to develop plans and the PRINCE2 techniques that should be applied. In PRINCE2, the plans are matched to the needs of the personnel at the various levels of the organization. They are the focus for communication and control throughout the project.	How? How much? When?	7
<b>Risk</b>	Projects typically entail more risk than stable operational activity. This theme addresses how project management manages the uncertainties in its plans and in the wider project environment.	What if?	8
<b>Change</b>	This theme describes how project management assesses and acts upon issues which have a potential impact on any of the <u>baseline</u> aspects of the project (its plans and completed products). Issues may be unanticipated general problems, requests for change or instances of quality failure.	What's the impact?	9
<b>Progress</b>	This theme addresses the ongoing viability of the plans. The theme explains the decision-making process for approving plans, the monitoring of actual performance and the escalation process if events do not go according to plan. Ultimately, the Progress theme determines whether and how the project should proceed.	Where are we now? Where are we going? Should we carry on?	10

### 3.1 Applying the themes

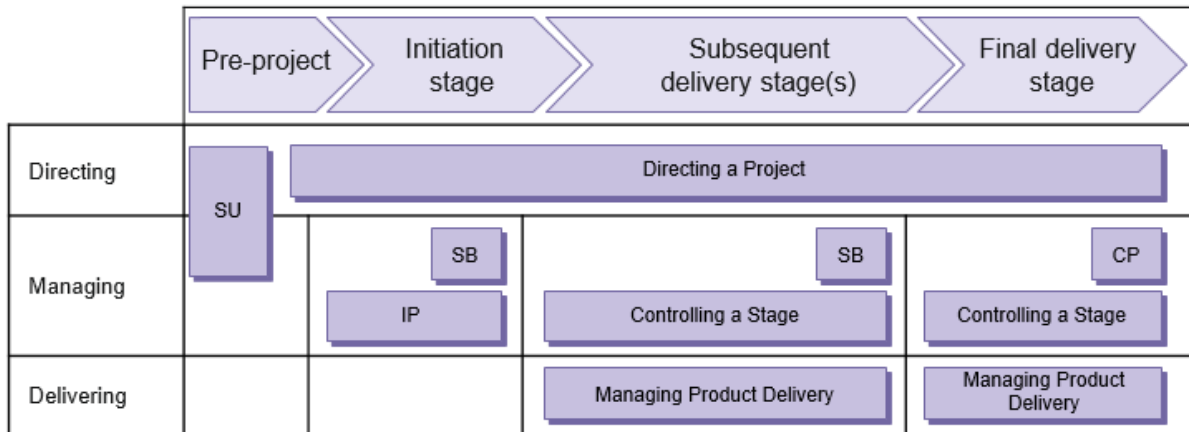
All seven themes must be applied in a project, but they should be tailored according to the scale, nature and complexity of the project concerned.

Themes can be tailored 'up' or 'down'. That is to say, additional detailed documentation and process discipline can be introduced for complex or high-risk projects, whereas concise bullet-point presentations and more informal processes may be adequate for simple, low-risk projects.

#### 4 INTRODUCTION TO PRINCE2 PROCESSES

PRINCE2 is a process-based approach for project management. A process is a structured set of activities designed to accomplish a specific objective. It takes one or more defined inputs and turns them into defined outputs.

There are seven processes in PRINCE2, which provide the set of activities required to direct, manage and deliver a project successfully. The figure below shows how each process is used throughout a project’s life.



**Key**  
 SU = Starting up a Project  
 IP = Initiating a Project  
 SB = Managing a Stage Boundary  
 CP = Closing a Project

**Note**

- Starting up a Project is used by both the directing and managing levels.
- There should be at least two management stages, the first of which is the initiation stage.
- Managing a Stage Boundary is first used at the end of the initiation stage and repeated at the end of each subsequent stage except the final stage. It is also used to prepare Exception Plans, which can be done at any time including in the final stage.
- For complex or lengthy initiations, Controlling a Stage and Managing Product Delivery can optionally be used to manage the initiation stage.

The Project Board sets direction and makes key decisions throughout the life of the project. The Project Board’s activities are covered by the Directing a Project process (Chapter 13), which runs from pre-project through to, and including, the final stage.

##### 4.1 Pre-project

In the beginning, someone has an idea or a need. This may result from new business objectives, responding to competitive pressures, changes in legislation, or a recommendation in a report or an audit. The trigger for the project could be almost anything. In PRINCE2, this trigger is called a project mandate. The project mandate is provided by the commissioning organization (corporate or programme management) and can vary in form from a verbal instruction to a well-defined and justified project definition.

Prior to the activity to fully scope the project, it is important to verify that the project is worthwhile and viable. Such activities are covered by the process Starting up a Project (Chapter 12), which culminates in the production of a Project Brief and a Stage Plan for project initiation.

The Project Board reviews the Project Brief and decides whether to initiate the project. They then state the levels of authority to be granted to the Project Manager for the initiation stage.

##### 4.2 Initiation stage

Once there is a decision that approves the project, it needs to be planned in detail. Funding needs to be obtained, and controls should be defined to ensure that the project proceeds in accordance with the wishes of those who are paying for the process and those who are making use of the final

products. The detailed planning, establishment of the project management strategies and controls, development of a robust Business Case, and a means of reviewing benefits are covered by the Initiating a Project process (see Chapter 14). Also, during the initiation stage, the Managing a Stage Boundary process (Chapter 17) is used to plan the next stage in detail.

The initiation stage culminates in the production of the Project Initiation Documentation, which is reviewed by the Project Board to decide whether to authorize the project. As the contents of the Project Initiation Documentation are likely to change throughout the project (under change control), this version of the Project Initiation Documentation is preserved as input for later performance reviews.

### **4.3 Subsequent delivery stages**

The Project Board students day-to-day control to the Project Manager on a stage-by-stage basis. The Project Manager needs to assign work to be done, ensure that the outputs of such work (products) meet relevant specifications, and gain suitable approval where appropriate. The Project Manager also needs to ensure that progress is in line with the approved plan and that the forecasts for the project's performance targets are within agreed tolerances. The Project Manager ensures that a set of project records (Daily Log, Lessons Log, Issue Register, Risk Register, Quality Register and Configuration Item Records) are maintained to assist with progress control. The Project Manager informs the Project Board of progress through regular Highlight Reports. The activities to control each stage are covered by the Controlling a Stage process (Chapter15).

In the Managing Product Delivery process (Chapter16), the Team Manager(s) or team members execute assigned Work Packages (that will deliver one or more products) and keep the Project Manager appraised of progress via Checkpoint Reports.

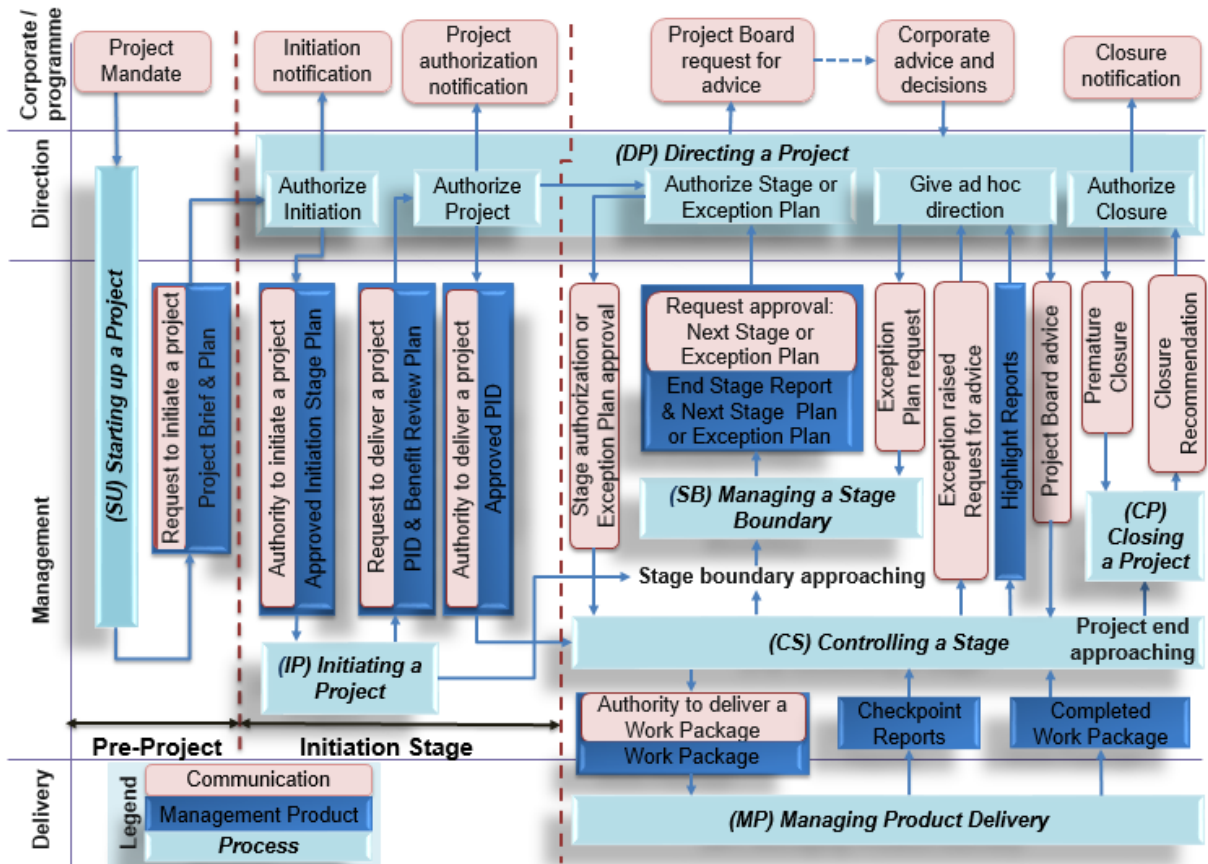
Towards the end of each management stage, the Project Manager requests permission to proceed to the next stage by reporting how the stage performed, providing an update to the Business Case and planning the next management stage in detail. The Project Manager provides the information needed by the Project Board in order for it to assess the continuing viability of the project and to make a decision to authorize the next management stage. The activities to manage each stage boundary are covered in the Managing a Stage Boundary process (Chapter17).

### **4.4 Final delivery stage**

As a project is a temporary undertaking, during the final stage (once the Project Manager has gained approval for all of the project's products) it is time to decommission the project. The Project Board needs to be satisfied that the recipients of the project's products are in a position to own and use them on an ongoing basis. Should this be the case, the products can be transitioned into operational use and the project can close. The project documentation should be tidied up and archived; it should be assessed for performance against its original plan, and the resources assigned to the project need to be released. The closure activities include planning post-project benefits reviews to take place for those benefits that can only be assessed after the products have been in use (and therefore after the project has closed). The activities to decommission a project are covered by the Closing a Project process (Chapter18).

The PRINCE2 process model is shown below.

The processes are aligned to the management levels of corporate or programme, directing, managing and delivering. The triggers between each process are shown.





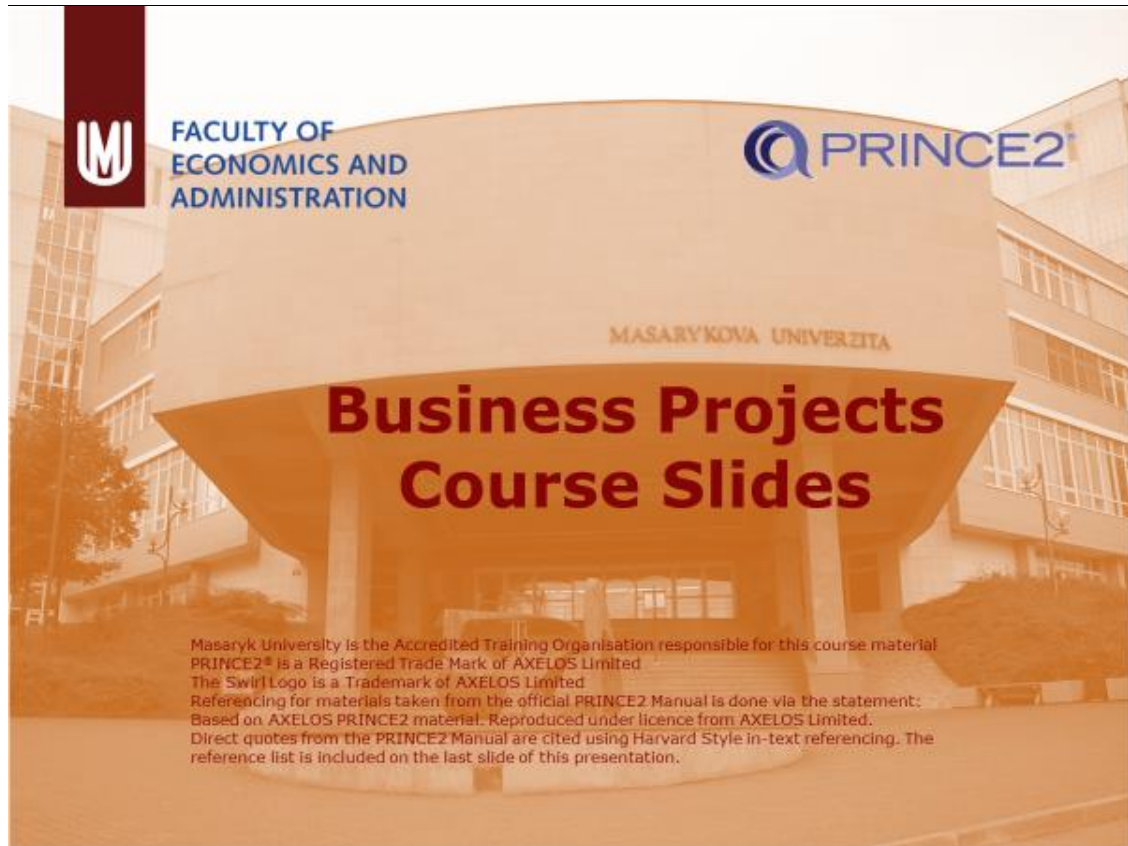
# Section IV - Case Study & Seminar Exercises

---

Learning exercises based on the case study contained in Appendix A will be undertaken during the seminar sessions. These exercises have been developed to help you work through a PRINCE2 Project in the classroom. The goal is to enable you to experience the proper use of the themes, determine the correct content of the management products, and help you gain experience in determining the correct course of action given numerous, events within the context of a given project scenario.

To facilitate this, we will introduce each of the exercises and explain the context in which you or your team is to operate. If you have any questions during the course of the exercise, do not hesitate to ask, our job is to facilitate a positive learning environment.

# Section V - Course Slides



## Course Objectives

- Understand the need for project management and how PRINCE2 meets that requirement.
- Understand the principles, themes, and processes of PRINCE2.
- Be prepared if things don't go to plan.
- Be aware of what decisions the project manager is expected to make.
- Understand information needs within a project.
- Comprehend the purpose of the PRINCE2 roles and management products.
- Understand the need to tailor PRINCE2 to your project.
- Be prepared to take a Foundation Certification Examination.

## Course Exam

- The objective of the examination is to enable you to demonstrate an understanding of the PRINCE2 principles, processes, themes, techniques and roles.
- The exam format is as follows:
  - 75 multiple choice questions per exam with 5 trial questions that are not counted in the score
  - 35 marks required to pass (out of 70 available) - 50%
  - 1 hour duration, closed book

3

Masaryk University

BPH-BUPR-CS-2017-01

## Homework

- Read sections I through III of the Student Guide
- Read pages 3 to 18 and 215 to 231 of Managing Successful Projects

4

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-01

## Lecture 2

- Why We Need Project Management
- Introduction to PRINCE2
- Introduction to PRINCE2 Process Lifecycle
- Tailoring PRINCE2

5

Masaryk University

BPH-BUPR-CS-2017-01

## WHY WE NEED PROJECT MANAGEMENT

6

BPH-BUPR-CS-2017-01

## SNCF / RFF, France

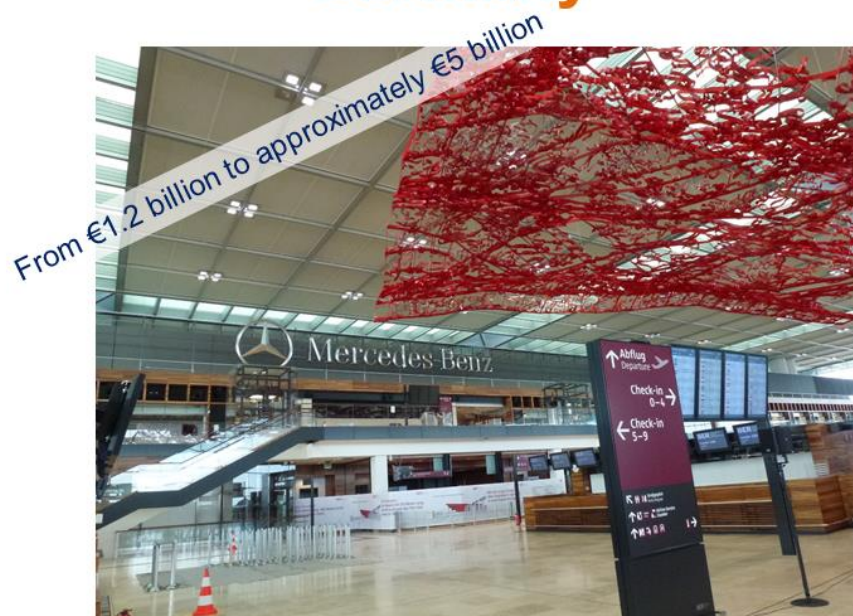


7

Masaryk University

BPH-BUPR-CS-2017-01

## Brandenburg Airport, Berlin, Germany



8

Masaryk University

BPH-BUPR-CS-2017-01

## NATO HQ, Brussels, Belgium



9

Masaryk University

BPH-BUPR-CS-2017-01

## Why Projects Fail

- Lack of project justification, no valid business case.
- Insufficient attention to quality from the start and through development.
- Poorly defined outcomes, confusion over what the project needs to achieve.
- Lack of communication amongst stakeholders.
- Poorly defined roles and responsibilities amongst project personnel.
- Poor cost and time estimating.
- Poor planning and resource coordination.
- Insufficient measurables and lack of progress control.
- Lack of quality control.

10

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-01

## Minimizing Failure Risks

- Use certified professional project managers or personnel trained in project management.
- Adopt a proven, recognised project management methodology.
- Top two internationally recognised best practices/methodologies/certifications:
  - Projects IN Controlled Environments (PRINCE2®); and
  - PMBoK - Project Management Institute (PMI)
- This course will focus on the PRINCE2® methodology.

11

Masaryk University

BPH-BUPR-CS-2017-01

## INTRODUCTION TO PRINCE2®

12

BPH-BUPR-CS-2017-01

## PRINCE2

- PRINCE2 is an internationally recognised structured project management methodology.
- Generic in nature and non-industry specific.
- Provides standardised, defined PM terminology.
- Can be scaled to meet the size and complexity of the project.
- Product, not activity focused.
- Based on management by exception.
- Outside the scope of PRINCE2:
  - Specialist Aspects
  - Detailed techniques
  - Leadership styles

13

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Certification

- PRINCE2 Foundation
  - The Foundation qualification confirms that an individual has sufficient knowledge and understanding of the PRINCE2 method to be able to work effectively with, or as a member of, a project management team working within an environment supporting PRINCE2
  - The Foundation qualification is also a pre-requisite for the Practitioner qualification
- PRINCE2 Practitioner
  - Qualification is aimed at project managers and aspiring project managers
  - Also relevant to other key staff involved in the design, development and delivery of projects
  - Practitioner Reregistration examination in 3 to 5 years

14

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01



## Definition of a Project

'A **project** is a temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case.' (Axelos, 2009, p. 3)

15

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Definition of Project Management

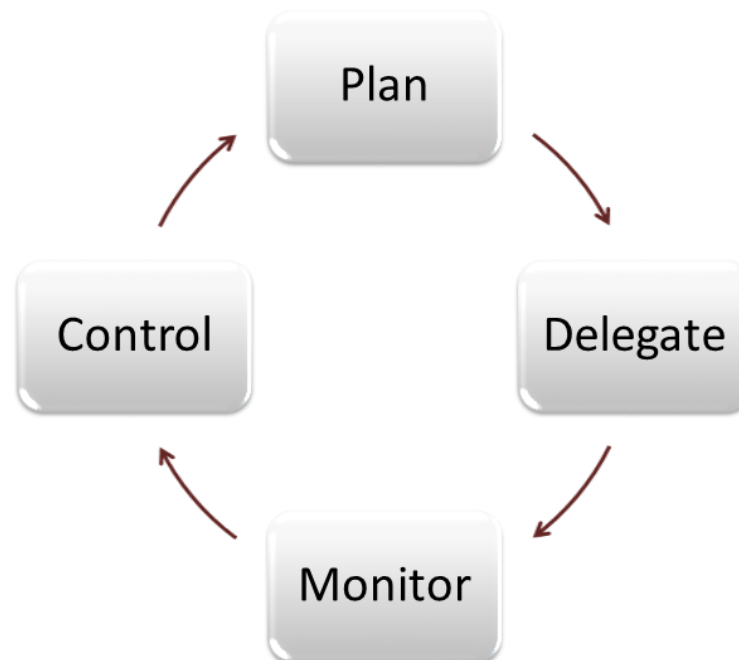
'**Project Management** is the planning, delegating, monitoring and controlling of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits, and risks.' (Axelos, 2009, p. 4)

16

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Management



17

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## PRINCE2 Structure

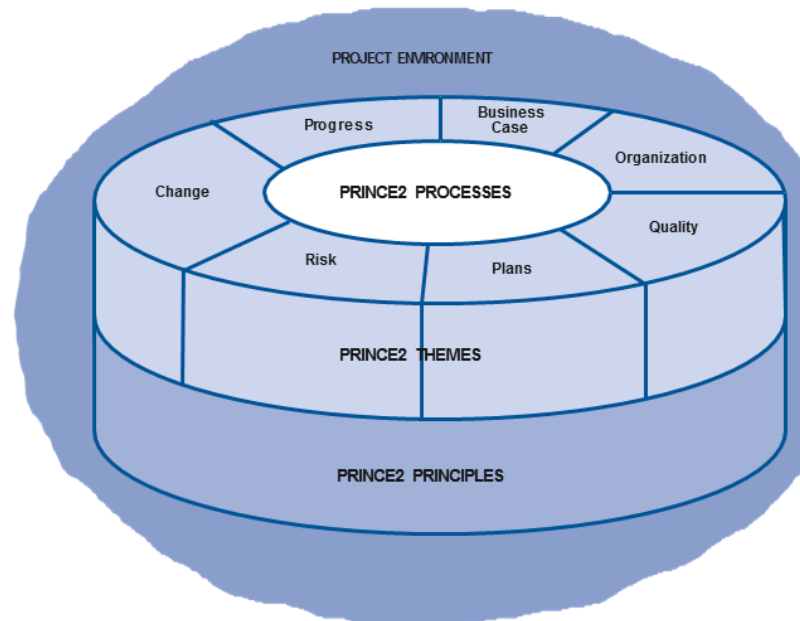
- Four integrated elements make up the PRINCE2 Structure:
  - 7 Principles comprised of obligations and best practices.
  - 7 aspects of project management defined as themes to be addressed continually and in parallel throughout the project.
  - 7 PRINCE2 processes address the chronological flow of the project through its lifecycle intertwined with actions pertaining to various themes.
  - Tailored or scaled to meet the environment.

18

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Structure Diagram



(Figure 1.2 Managing Successful Projects with PRINCE2® 2009 edition).

19

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Principles

- Continued Business Justification
- Learn From Experience
- Defined Roles And Responsibilities
- Manage By Stages
- Manage By Exception
- Focus On Products
- Tailor To Suit The Project Environment

20

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Themes

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

21

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Processes

- Starting up a project
- Initiating a project
- Directing a project
- Managing a stage boundary
- Controlling a stage
- Managing product delivery
- Closing a project

22

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

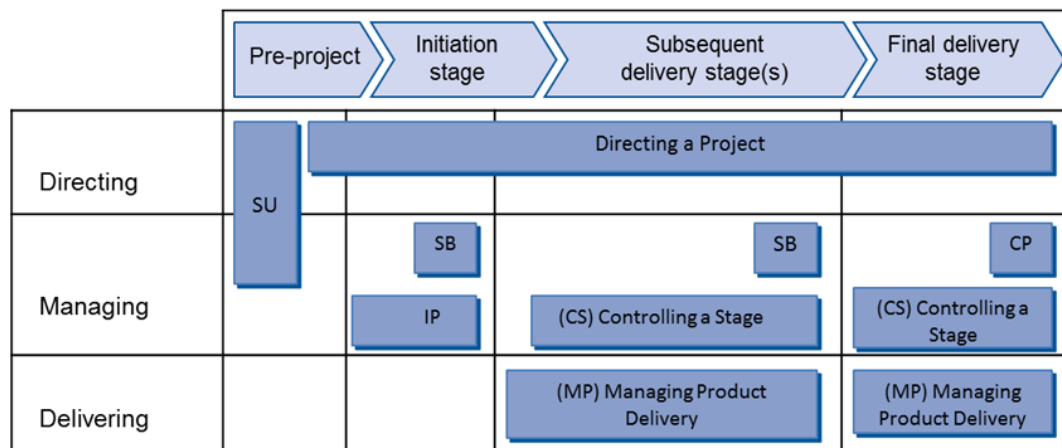
A process is a structured set of activities designed to accomplish a specific objective. It takes one or more defined inputs and turns them into defined outputs.  
 (Axelos, 2009, p. 113)

## INTRODUCTION TO PRINCE2 PROCESSES/LIFECYCLE

23

BPH-BUPR-CS-2017-01

### Processes



**Key**  
 SU = Starting up a Project  
 IP = Initiating a Project  
 SB = Managing a Stage Boundary  
 CP = Closing a Project

**Note**

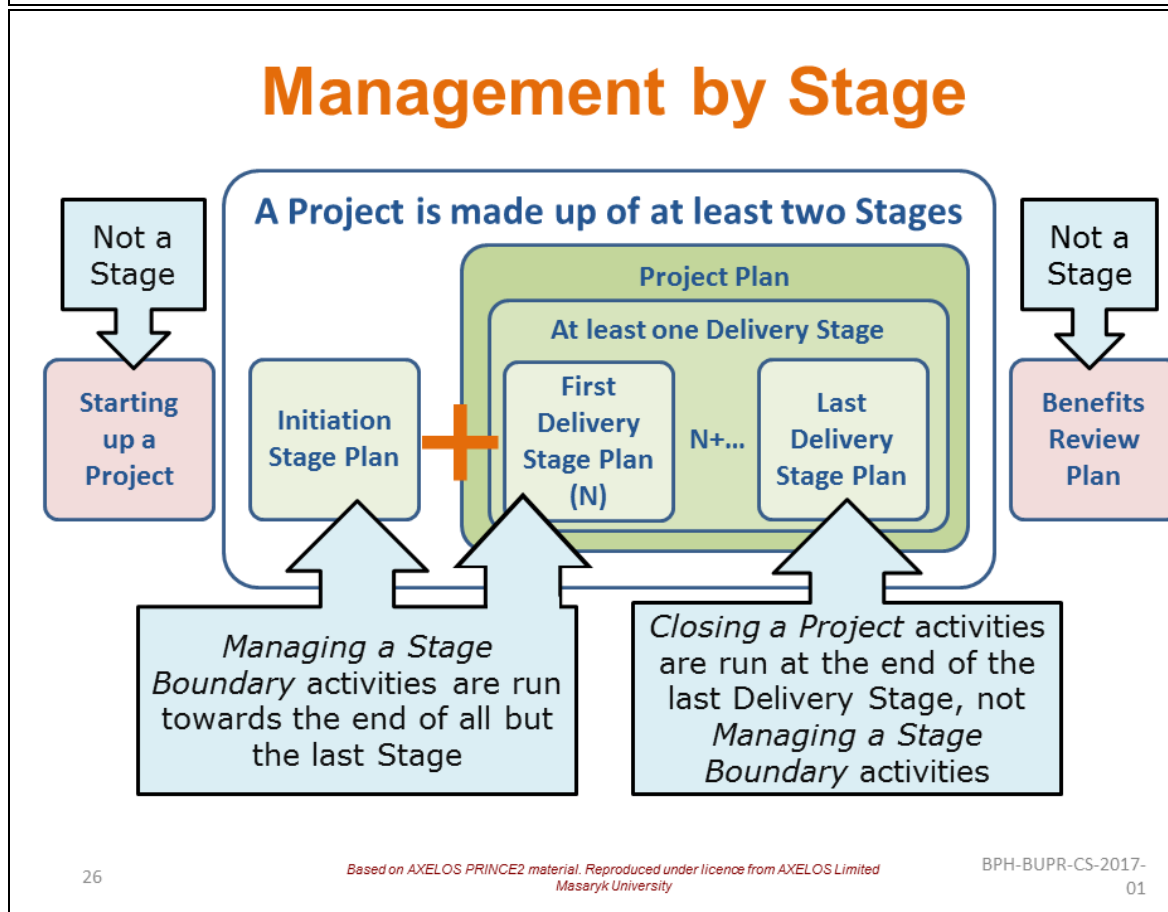
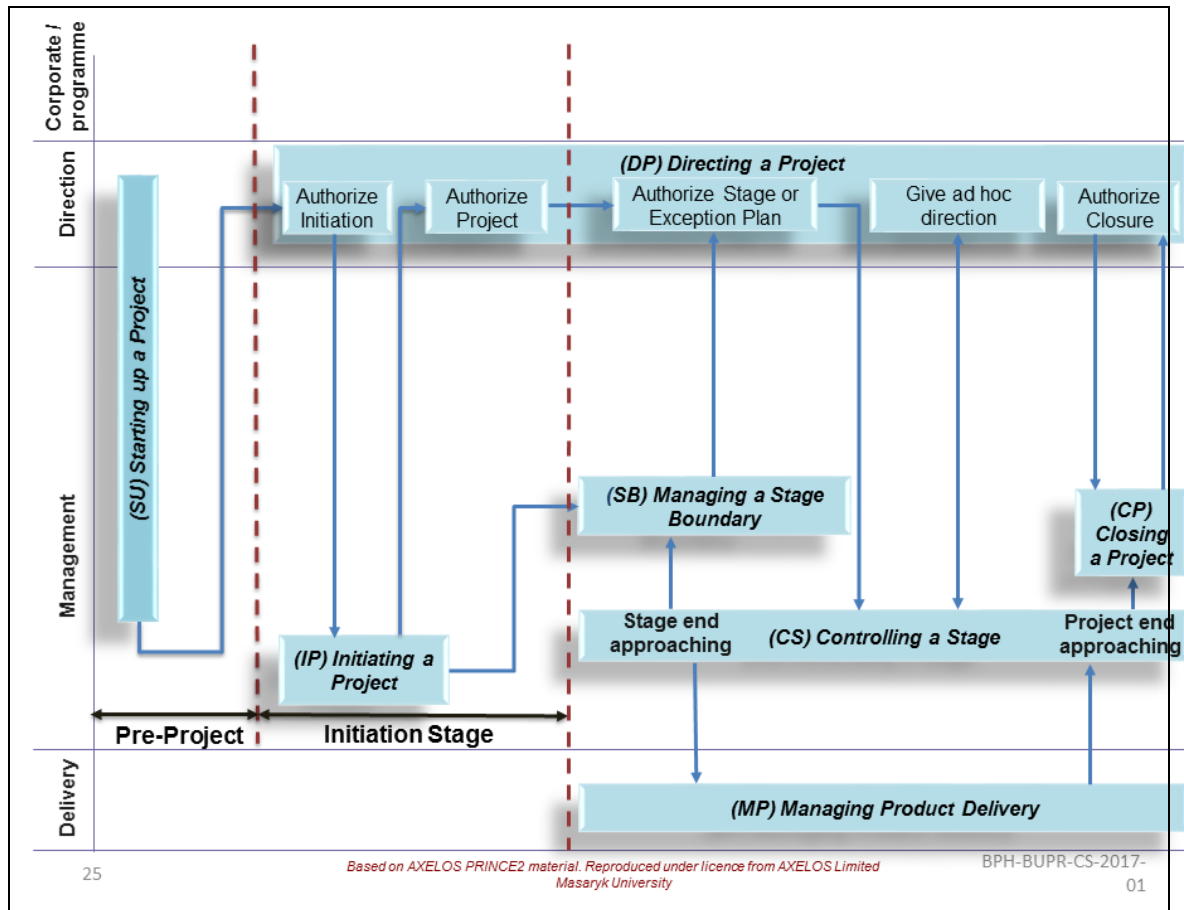
- Starting up a Project is used by both the directing and managing levels.
- There should be at least two management stages, the first is the initiation stage.
- Managing a Stage Boundary is first used at the end of the initiation stage and repeated at the end of each subsequent stage except the final stage. It is also used to prepare Exception Plans, which can be done at any time including in the final stage.
- For complex or lengthy initiations, Controlling a Stage and Managing Product Delivery can optionally be used to manage the initiation stage.

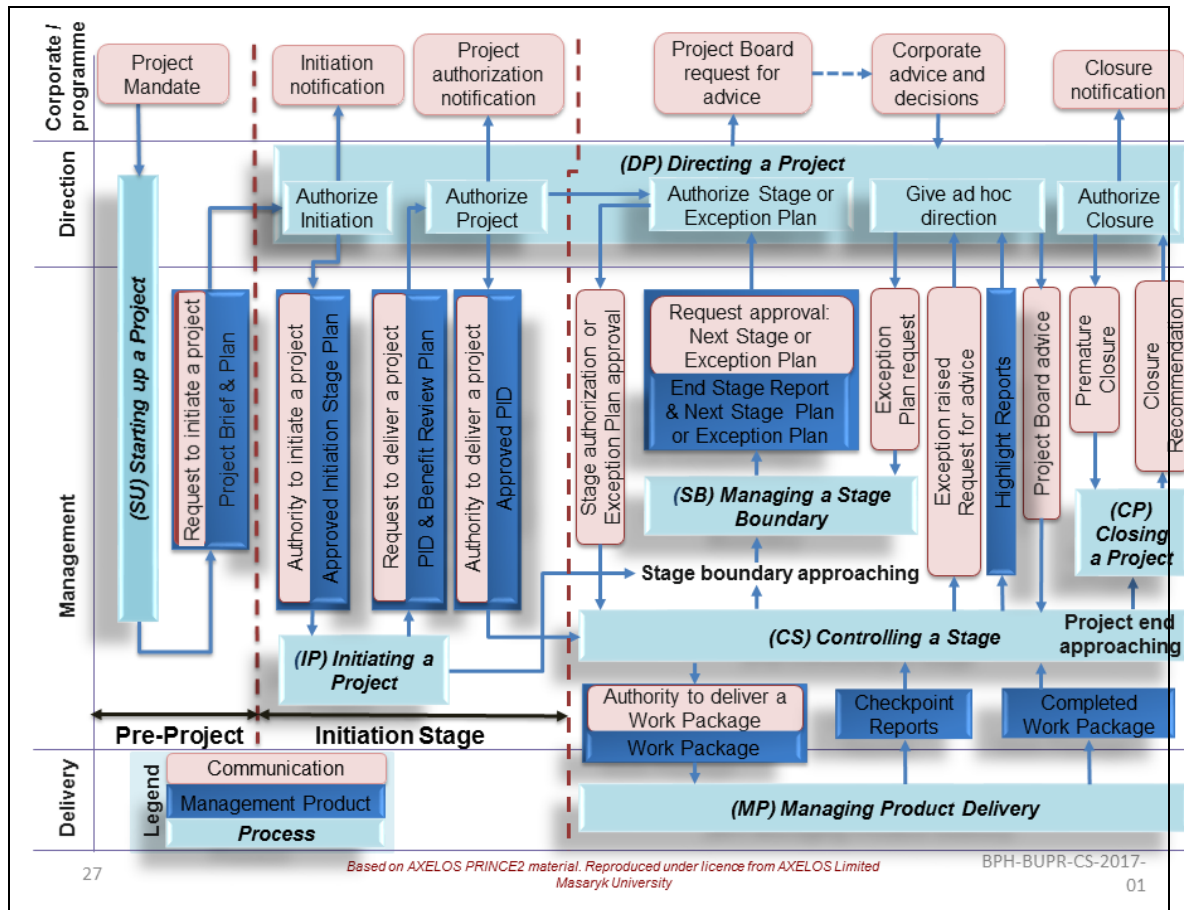
(Figure 11.1 Managing Successful Projects with PRINCE2® 2009 edition).

24

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01





## Embedding and Tailoring PRINCE2

- Embedding PRINCE2 means an organisation adopts it as a standard methodology across the organisation
- Tailoring refers to using the method in an appropriate way based for each project

Embedding	Tailoring
Done by the organization to adopt PRINCE2.	Done by the project management team to adapt the method to the context of a specific project.
Focus on:	Focus on:
<ul style="list-style-type: none"> <li>■ Process responsibilities</li> <li>■ Scaling rules/guidance (e.g. score card)</li> <li>■ Standards (templates, definitions)</li> <li>■ Training and development</li> <li>■ Integration with business processes</li> <li>■ Tools</li> <li>■ Process assurance.</li> </ul>	<ul style="list-style-type: none"> <li>■ Adapting the themes (through the strategies and controls)</li> <li>■ Incorporating specific terms/language</li> <li>■ Revising the Product Descriptions for the management products</li> <li>■ Revising the role descriptions for the PRINCE2 project roles</li> <li>■ Adjusting the processes to match the above.</li> </ul>

(Figure 19.1 Managing Successful Projects with PRINCE2® 2009 edition).

## Tailoring PRINCE2

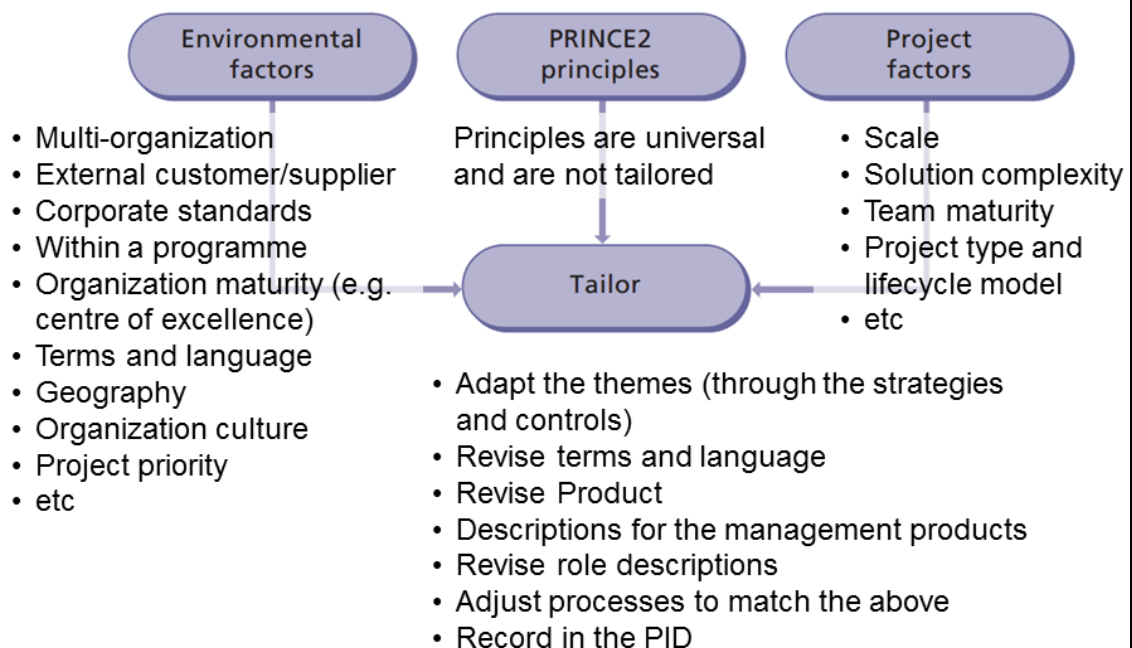
- PRINCE2 can be used regardless of Project size by tailoring the method to fit
- Tailoring ensures that there is the right level of control, planning and governance based on environmental and Project factors
- When Projects only partially implement the methodology it is not PRINCE2, some call it PINO

29

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Influences on Tailoring



30

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01



## Homework

- Read pages 21 to 43, plus Appendix A.1 and A.2, pages 236 to 238 of *Managing Successful Projects*

31

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

## Lecture 3

- Business Case Theme
- Benefit Review Plan
- Organisation Theme

32

*Masaryk University*

BPH-BUPR-CS-2017-01

The *purpose* of the *Business Case theme* is to establish mechanisms to judge whether the project is (and remains) desirable, viable and achievable as a means to support decision making in its (continued) investment.

(Axelos, 2009, p. 21)

## BUSINESS CASE THEME

33

BPH-BUPR-CS-2017-01

## Business Justification

- Principle: A project must have continued business justification
- Business justification is documented in the Business Case
- Continuous substantiation for the project:
  - Desirable: Cost-benefit-risk balance
  - Viable: Project can deliver the required products
  - Achievable: Products can deliver the benefits
- Outline Business Case provided by programme management or corporate or assembled in the SU process
- Fully developed in the IP process
- Maintained and verified throughout the project

34

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Business Case Composition

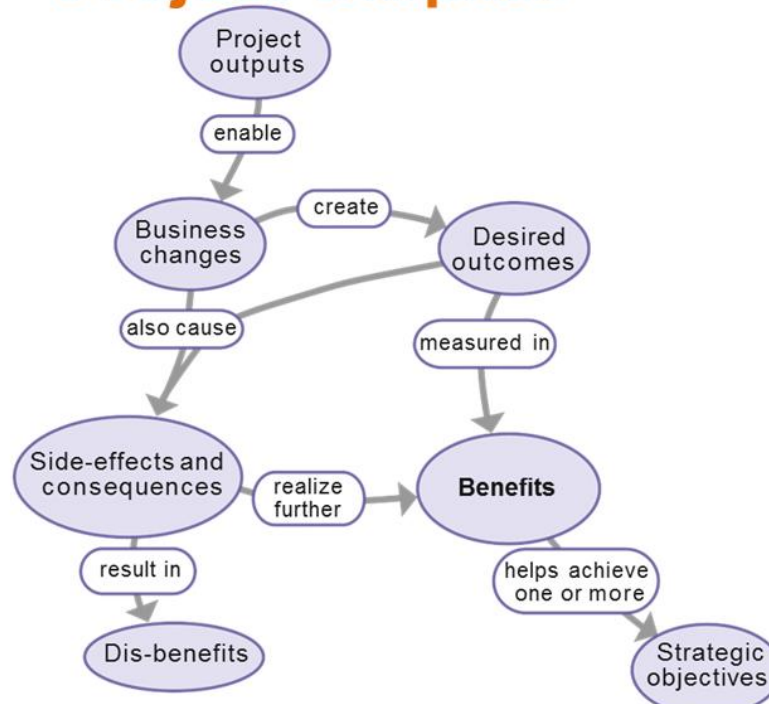
- **Executive Summary:** Provide highlights of the key points in the Business Case.
- **Reasons:** Reasons for undertaking the project, explain how the project will enable the achievement of corporate strategies and objectives.
- **Business Options:** A thorough analysis and reasoned recommendation for the base business options: do nothing, do the minimal or do something.
- **Expected Benefits:** Describes the qualitative and quantitative benefits that the project will deliver expressed in measurable terms against the situation as it exists now.
- **Expected Dis-benefits:** An analysis of all outcomes perceived as negative. Dis-benefits are actual consequences and opportunity costs of undertaking the project, not risks.
- **Time Scale:** A summary of the Project Plan and the period over which the benefits will be realized.
- **Costs:** A summary of the project costs from the Project Plan, plus ongoing operations and maintenance costs and their funding arrangements.
- **Investment Appraisal:** Compare the aggregated benefits and dis-benefits to the project costs (extracted from the Project Plan) and ongoing incremental operations and maintenance costs.
- **Major Risks:** A summary of the key risks associated with the project together with the likely impact and contingency plans should they occur.

35

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Outputs



(Figure 4.1 Managing Successful Projects with PRINCE2® 2009 edition).

36

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Type vs Business Case

- All projects, regardless of type, require a Business Case
- Some projects are measure on financial returns, some on non-financial benefits, many have a mix of the two
- The focus is whether the benefits that are anticipated from this project are more desirable, viable and achievable than pursuing other available options

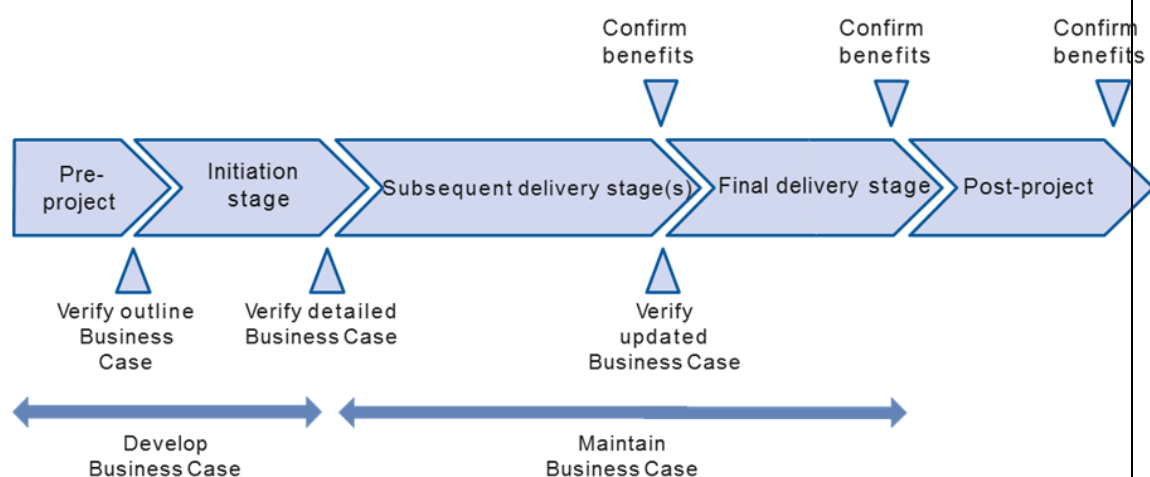
37

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Development Path

- Develop, Verify, Maintain, Confirm



(Figure 4.2 Managing Successful Projects with PRINCE2® 2009 edition).

38

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities

Role	Responsibilities
Corporate or programme management	<p>Provide the project mandate and define any standards to which the Business Case needs to be developed.</p> <p>Hold the Senior User(s) to account for realizing the post-project benefits enabled by the project's products.</p> <p>Responsible for the Benefits Review Plan (post-project).</p>
Executive	<p>Responsible for the Business Case for the duration of the project.</p> <p>Responsible for the Benefits Review Plan (for the duration of the project) unless being managed by corporate or programme management.</p> <p>Oversee the development of a viable Business Case, ensuring that the project is aligned with corporate strategies, and secure the funding for the project.</p>
Senior User(s)	<p>Responsible for specifying the benefits upon which the Business Case is approved.</p> <p>Ensure the desired outcome of the project is specified.</p> <p>Ensure that the project produces products which deliver the desired outcomes.</p> <p>Ensure that the expected benefits (derived from the project's outcomes) are realized.</p> <p>Provide actual versus forecast benefits statement at the benefits reviews.</p>
Senior Supplier(s)	<p>Responsible for the supplier Business Case(s) (if they exist) – see section 19.6.1.1.</p> <p>Confirm that the products required can be delivered within the expected costs and are viable.</p>

(Table 4.1 Managing Successful Projects with PRINCE2® 2009 edition).

39

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Responsibilities (cont'd)

Role	Responsibilities
Project Manager	<p>Prepare the Business Case on behalf of the Executive.</p> <p>Conduct impact analysis of any new or revised issues or risks that affect the project's desirability, viability or achievability against the original basis for approving the project.</p> <p>Assess and update the Business Case at the end of each management stage.</p> <p>Assess and report on project performance at project closure.</p>
Project Assurance (business assurance responsibilities)	<p>Assist in the development of the Business Case.</p> <p>Verify and monitor the Business Case against external events and project progress.</p> <p>Ensure the project fits with overall programme or corporate strategy.</p> <p>Monitor project finance on behalf of the customer.</p> <p>Ensure the value-for-money solution is constantly reassessed.</p> <p>Monitor changes to the Project Plan to identify any impact on the needs of the business or the Business Case.</p> <p>Review the impact assessment of potential changes on the Business Case and Project Plan.</p> <p>Verify and monitor the Benefits Review Plan for alignment to corporate or programme management.</p>
Project Support	<p>The Business Case should have a baseline and therefore be under configuration management. Project Support should advise the Project Manager of any proposed or actual changes to products that affect the Business Case.</p>

(Table 4.1 Managing Successful Projects with PRINCE2® 2009 edition).

40

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

The *purpose* of the *Benefits Review Plan* is to define how and when a measurement of the achievement of the project's benefits can be made.

## BENEFIT REVIEW PLAN

41

BPH-BUPR-CS-2017-01

## Benefits Review Plan

- Defines how and when benefits expected by the Senior User can be measured.
- Created by the Project Manager during Initiation Stage.
- Updated at the end of each stage regarding benefits delivered.
- Benefits that can be measured are reported in End Stage Reports.
- Residual benefits re-examined and forecasted as part of Managing a Stage Boundary.
- Updated during the Closing a Project process to define any post-project benefits reviews that are required.
- Post-project, the plan is maintained and executed by corporate or programme management.

42

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

The *purpose* of the *Organisation theme* is to define and establish the project's structure of accountability and responsibilities.

(Axelos, 2009, p. 31)

## ORGANISATION THEME

43

BPH-BUPR-CS-2017-01

## Various Organisations

- Corporate Level
  - Structures vary from company to company
  - May or may not have Programmes or Projects
- Programmes
  - Temporary, flexible structures for coordinating, directing and overseeing the implementation of a group of related projects
- Projects
  - Projects are temporary structures which may exist within a Programme
  - Will exist within the context of a corporate organisation

44

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Successful Project Management Teams

- PRINCE2 is based on a Customer/ Supplier Environment.
- Assumes there is a customer (User) who defines the to be state and pays to achieve it and a Supplier who provides resources and skills to deliver the to be state.
- Represent the Business, the User, and the Supplier.
- Have clearly defined and assigned directing, managing, and delivering roles and responsibilities.
- Accountability at all levels is well defined.
- Have project role reviews at each stage boundary or when gaps appear in directing or managing the project or delivering the products.
- Have an effective communication strategy.

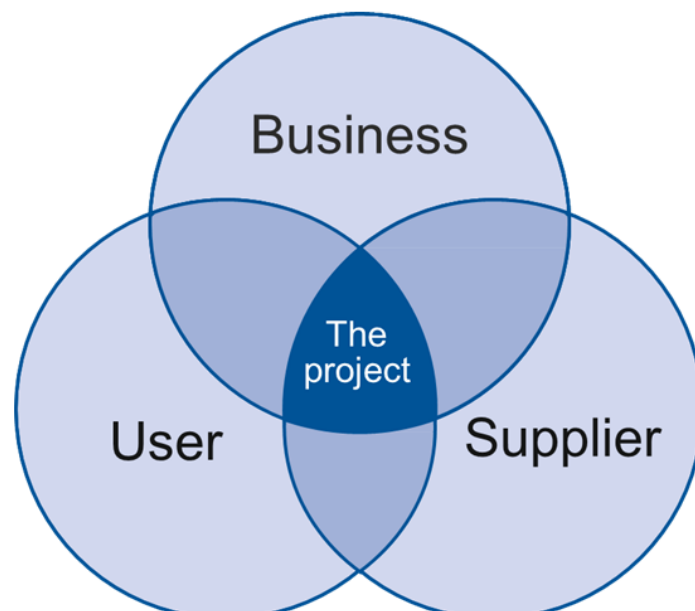
45

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Three Project Interests

- Jobs vs roles
- Sharing roles
- Capacity
- Capability
- Conflict of interest



(Figure 5.1 Managing Successful Projects with PRINCE2® 2009 edition).

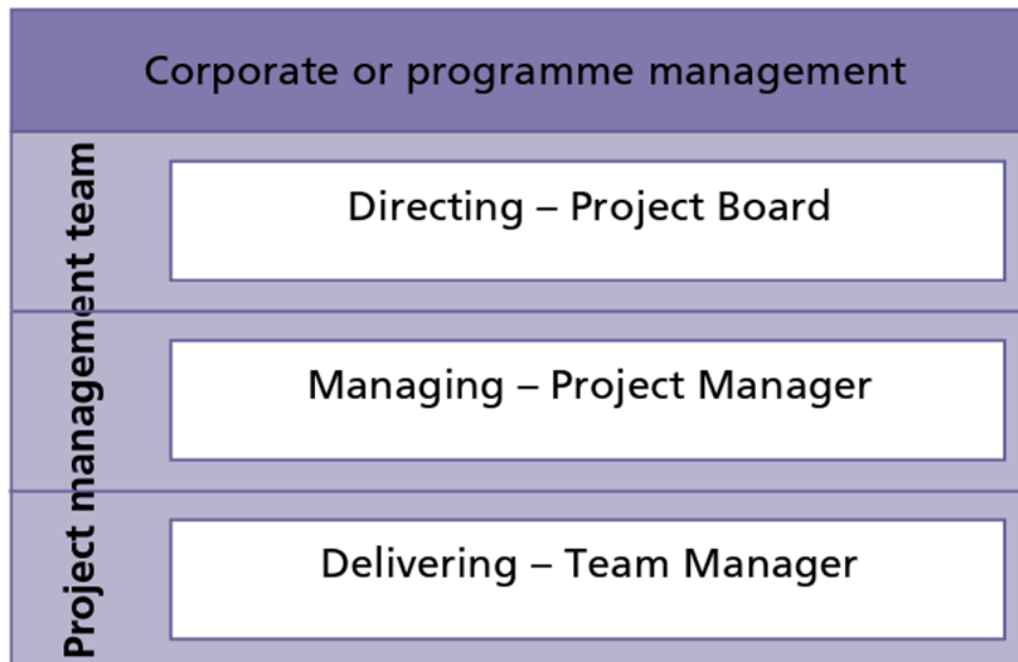
46

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

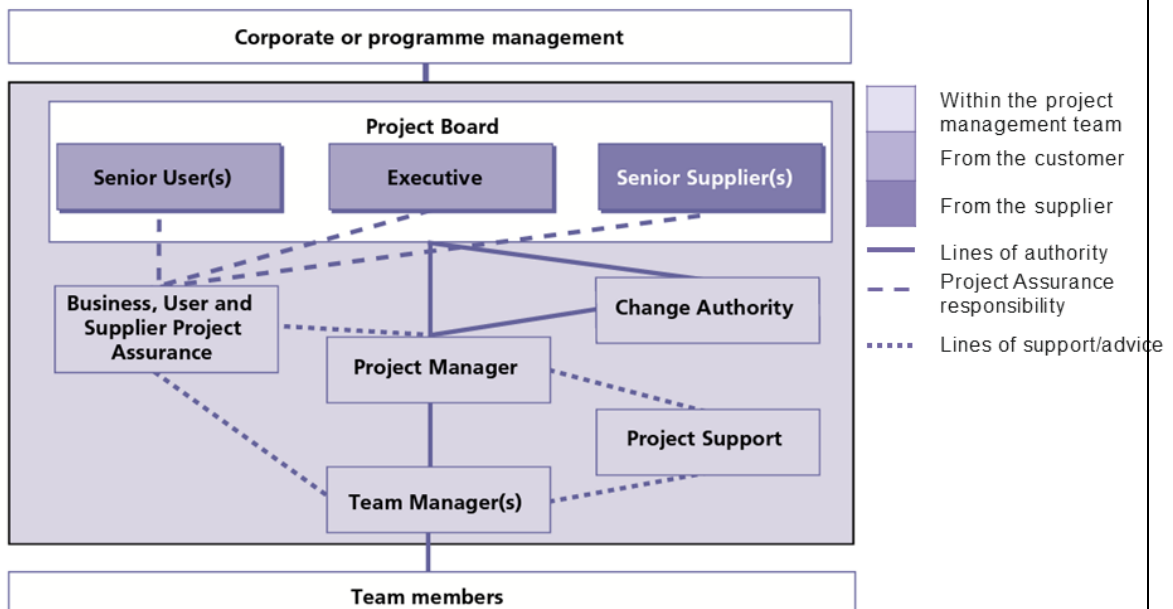


# Project Management Levels



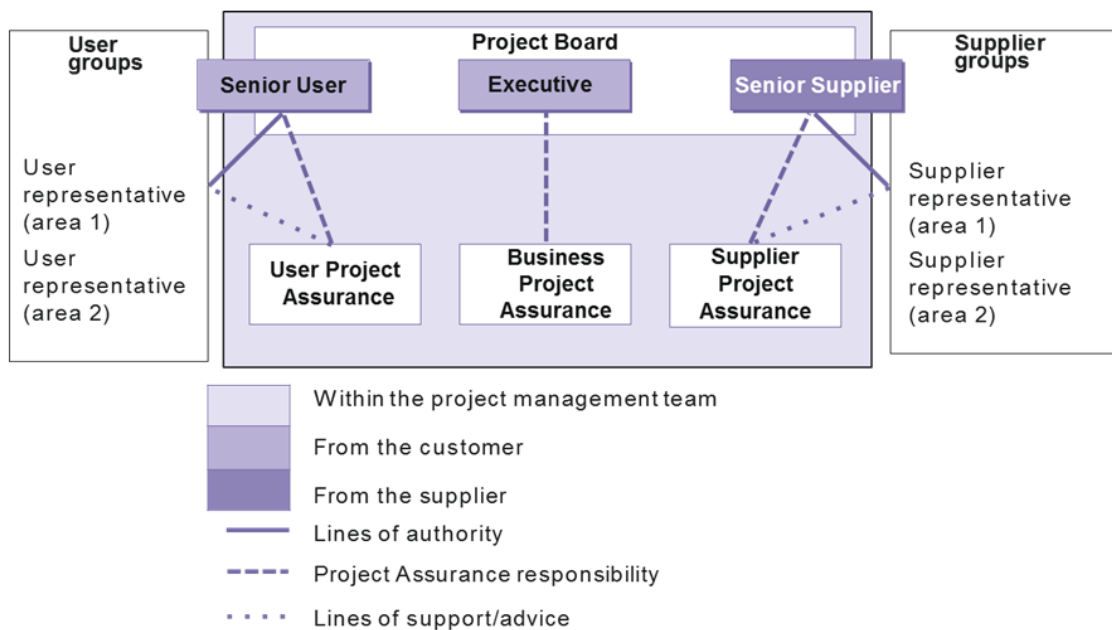
(Figure 5.2 Managing Successful Projects with PRINCE2® 2009 edition).

# Project Management Team Structure



(Figure 5.3 Managing Successful Projects with PRINCE2® 2009 edition).

## Project Board Composition



(Figure 5.4 Managing Successful Projects with PRINCE2® 2009 edition).

49

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Manager

- Day to day management
- Runs the Project on behalf of the Project Board
- Single individual, not shared
- Normally comes from the customer side
- Manages Team Managers, Project Support
- Liaises with Project Assurance and Project Board
- On small projects may do the support functions and manage specialist work directly

50

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Team Manager

- Ensures production of products allocated by the Project Manager
- Reports to and takes direction from the Project Manager
- Team Manager role may be filled by the Project Manager
- Determined in SU and/or SB processes
- Work Packages can be used formally or informally to allocate work
- Team managers report to Project Managers regardless of corporate position

51

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Support

- Responsibility of the Project Manager
- Can be delegated, many organisations have a Project Support Office
- Role of Project Support is not optional
- Project Support and Project Assurance should be kept separate, not combined

52

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Other Team Considerations

- Changes to the project team
- Team composition and selection
- Training needs
- Full-time vs part-time
- Working within the corporate structure
- Stakeholders outside the team
  - PRINCE2 defines a project stakeholder as any person, group or organization that can affect, be affected by, or perceive itself to be affected by the project or its outcome.

53

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities

Role	Responsibilities
Corporate or programme management	<p>Appoint the Executive and (possibly) the Project Manager.</p> <p>Provide information to the project as defined in the Communication Management Strategy.</p>
Executive	<p>Appoint the Project Manager (if not done by corporate or programme management).</p> <p>Confirm the appointments to the project management team and the structure of the project management team.</p> <p>Approve the Communication Management Strategy.</p>
Senior User	<p>Provide user resources.</p> <p>Define and verify user requirements and expectations.</p>
Senior Supplier	<p>Provide supplier resources.</p>

(Table 5.1 Managing Successful Projects with PRINCE2® 2009 edition).

54

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities (cont'd)

Role	Responsibilities
Project Manager	Prepare the Communication Management Strategy. Review and update the Communication Management Strategy. Design, review and update the project management team structure. Prepare role descriptions.
Team Manager	Manage project team members. Advise on project team members and stakeholder engagement.
Project Assurance	Advise on selection of project team members. Advise on stakeholder engagement. Ensure that the Communication Management Strategy is appropriate and that planned communication activities actually take place.
Project Support	Provide administrative support for the project management team.

(Table 5.1 Managing Successful Projects with PRINCE2® 2009 edition).

55

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Homework

- Read pages 61 to 73, Appendix A.16, A.17, A.21, and pages 279 to 283 of Managing Successful Projects

56

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Lecture 4

- PRINCE2 Plans Theme
- Product Based Planning

57

Masaryk University

BPH-BUPR-CS-2017-01

The *purpose* of the *Plans theme* is to facilitate communication and control by defining the means of delivering the products in terms of where, how, by whom, and estimating the when and how much.

## PLANS THEME

58

BPH-BUPR-CS-2017-01

## Plans Theme

- Plans theme provides a framework for designing, developing, and maintaining the project's plans.
- Three levels of plans:
  - Project
  - Stage
  - Team

59

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

## Plans Defined

Planning provides all personnel involved in the project with information on:

- What is required
- How it will be achieved and by whom, using what specialist equipment and resources
- When events will happen
- Whether the targets (for time, cost, quality, scope, risk and benefits) are achievable.

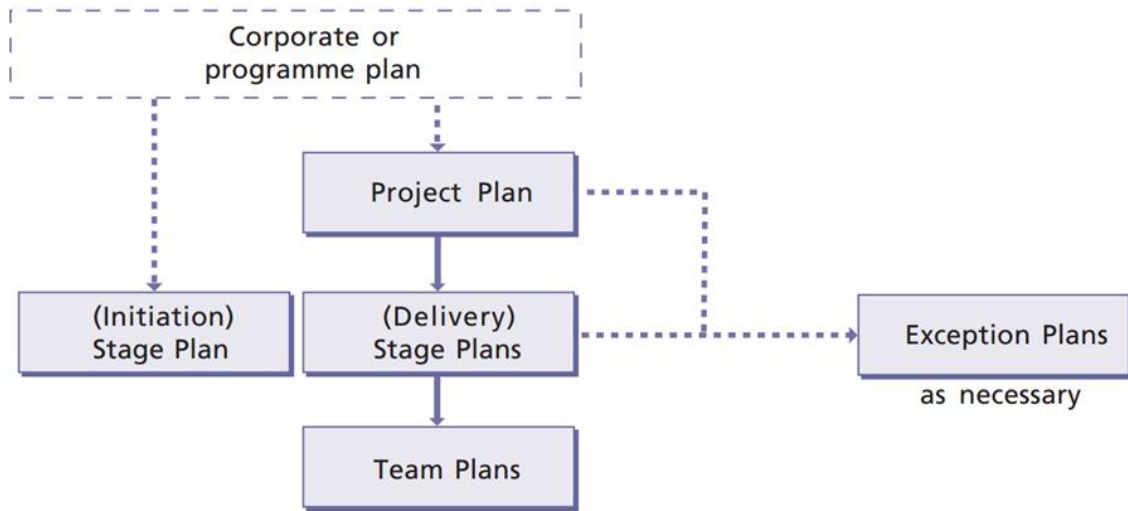
**(Axelos, 2009, p. 149)**

60

*Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

# PRINCE2 Planning Levels



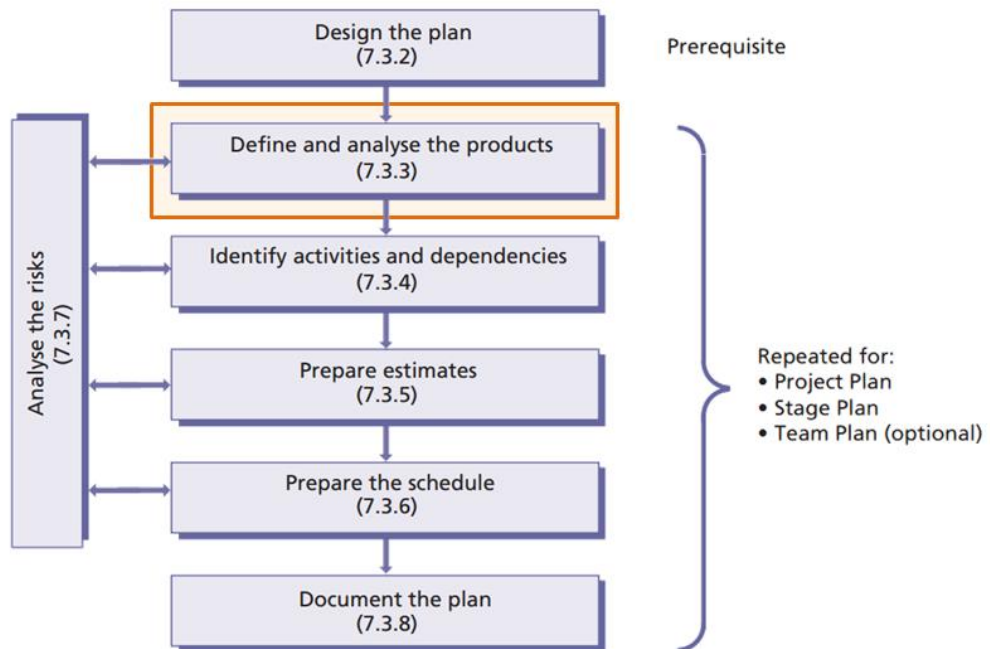
(Figure 7.1 Managing Successful Projects with PRINCE2® 2009 edition).

61

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

# PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

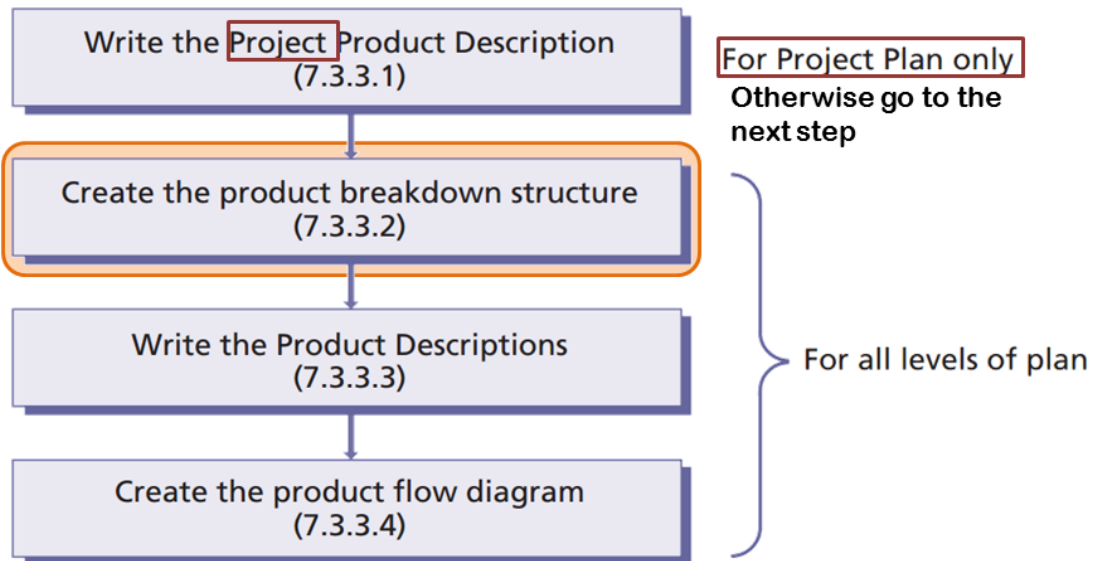
62

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01



# Define and Analyse the Products using Product Based Planning



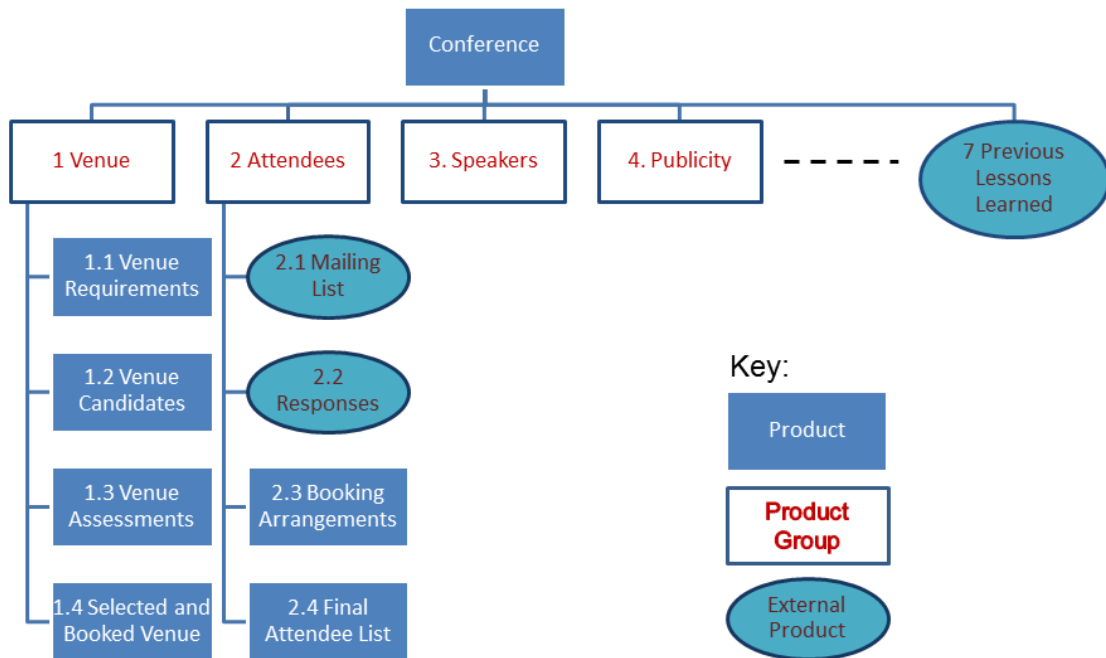
(Figure 7.3 Managing Successful Projects with PRINCE2® 2009 edition).

63

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

# Hierarchy Product Breakdown Structure

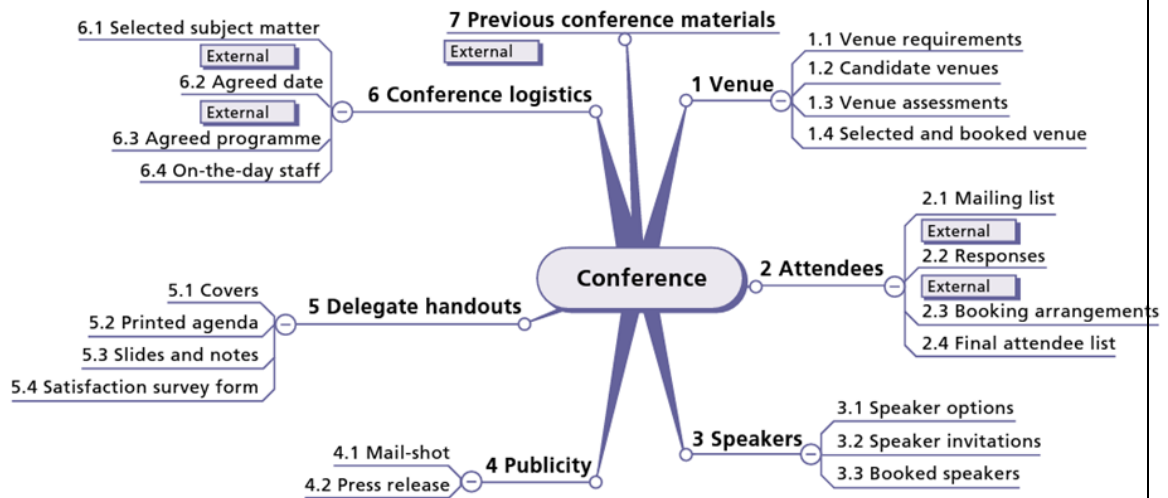


64

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

# Mind Map Product Breakdown Structure



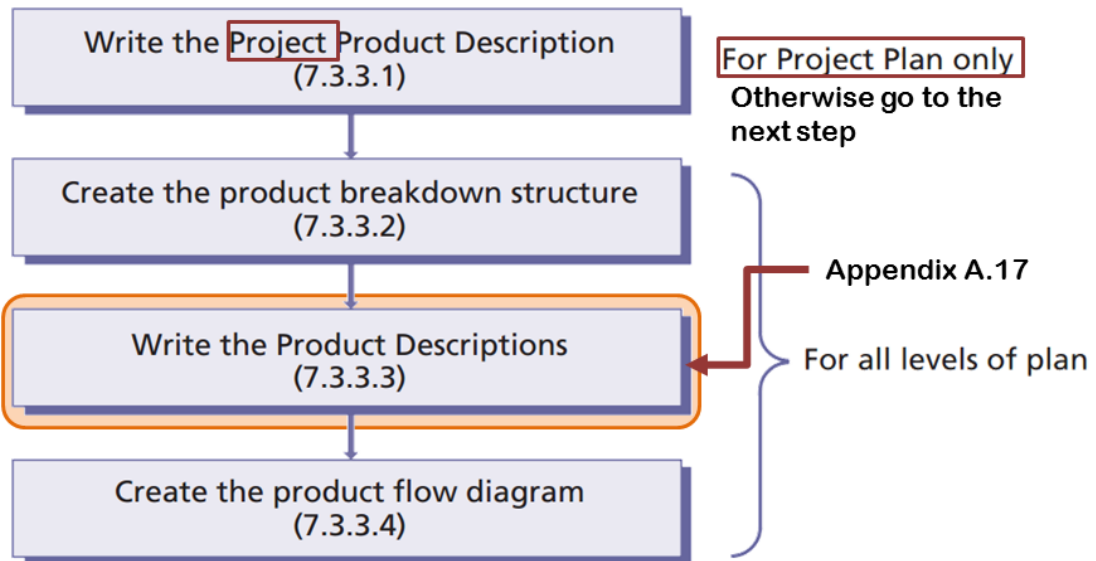
(Figure D.2 Managing Successful Projects with PRINCE2® 2009 edition).

# Indented List Product Breakdown Structure

## Conference

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li><b>1 Venue</b> <ul style="list-style-type: none"> <li>1.1 Venue Requirements</li> <li>1.2 Candidate Venues</li> <li>1.3 Venue Assessments</li> <li>1.4 Selected &amp; Booked Venue</li> </ul> </li> <li><b>2 Attendees</b> <ul style="list-style-type: none"> <li>2.1 Mailing List (external)</li> <li>2.2 Responses (external)</li> <li>2.3 Booking Arrangements</li> <li>2.4 Final Attendees List</li> </ul> </li> <li><b>3 Speakers</b> <ul style="list-style-type: none"> <li>3.1 Speaker Options</li> <li>3.2 Speaker Invitations</li> <li>3.3 Booked Speakers</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li><b>4 Publicity</b> <ul style="list-style-type: none"> <li>4.1 Mail-shot</li> <li>4.2 Press Release</li> </ul> </li> <li><b>5 Delegate Hand-outs</b> <ul style="list-style-type: none"> <li>5.1 Covers</li> <li>5.2 Printed Agenda</li> <li>5.3 Slides and Notes</li> <li>5.4 Satisfaction Survey</li> </ul> </li> <li><b>6 Conference Logistics</b> <ul style="list-style-type: none"> <li>6.1 Selected Subject Matter (external)</li> <li>6.2 Agreed Date (external)</li> <li>6.3 Agreed Programme</li> <li>6.4 On-the-day Staff</li> </ul> </li> <li><b>7 Previous Lessons Learned (external)</b></li> </ul> |
|---|---|

# Define and Analyse the Products using Product Based Planning



(Figure 7.3 Managing Successful Projects with PRINCE2® 2009 edition).

67

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Write the Product Descriptions

<b>Identifier</b>	Conference/4.1/version 1.0
<b>Title</b>	Mail-shot
<b>Purpose</b>	The mail-shot is the primary means of advertising the conference to potential delegates. It will be mailed to a list of professionals working in the industry.
<b>Composition</b>	<ul style="list-style-type: none"> <li>• Mailing envelope</li> <li>• Letter giving outline explanation of the conference</li> <li>• Leaflet giving detailed explanation of the conference, the venue and how to make a booking</li> <li>• Booking form</li> <li>• Response envelope</li> </ul>
<b>Derivation</b>	<ul style="list-style-type: none"> <li>• Mailing list</li> <li>• Agreed programme</li> <li>• Booking arrangements</li> <li>• Selected venue</li> </ul>
<b>Format and presentation</b>	Letter to be A4 on standard branded letterhead Leaflet and booking form to be A5 size Mailing envelope to be C5
<b>Development skills required</b>	Marketing, design and copywriting skills required Knowledge of conference necessary
<b>Quality responsibilities</b>	<ul style="list-style-type: none"> <li>• <b>Producer</b> – Event management company</li> <li>• <b>Reviewers</b> – as stated under 'Quality Skills Required'</li> <li>• <b>Approver</b> – Membership secretary</li> </ul>

(Axelos, 2009, p. 282)

68

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Product Description Composition

Quality criteria	Quality tolerance	Quality method	Quality skills required
Adheres to corporate identity standards	As defined in corporate identity standards	PRINCE2 quality review	Marketing team
Letter and leaflet accurately reflect all agreed details of the conference	None	Inspection	Conference Project Manager
No spelling or grammatical errors in any elements of the mail-shot	None	Word processor spell checker Inspection	Proof reader
The covering letter fits on one side of A4	May extend to reverse of a single sheet of A4	Inspection	Proof reader

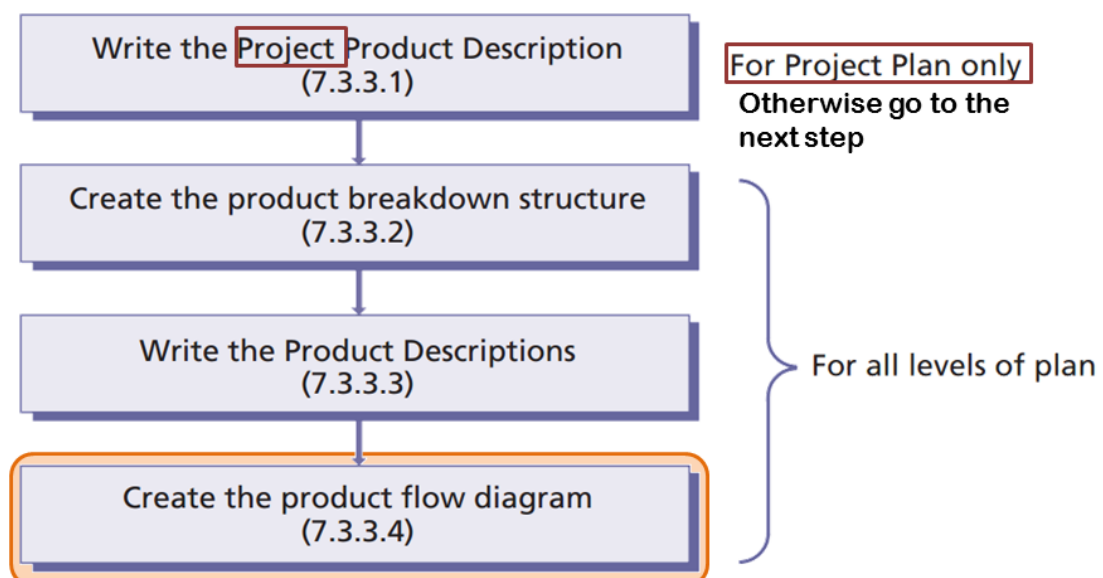
(Axelos, 2009, p. 282)

69

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Define and Analyse the Products using Product Based Planning



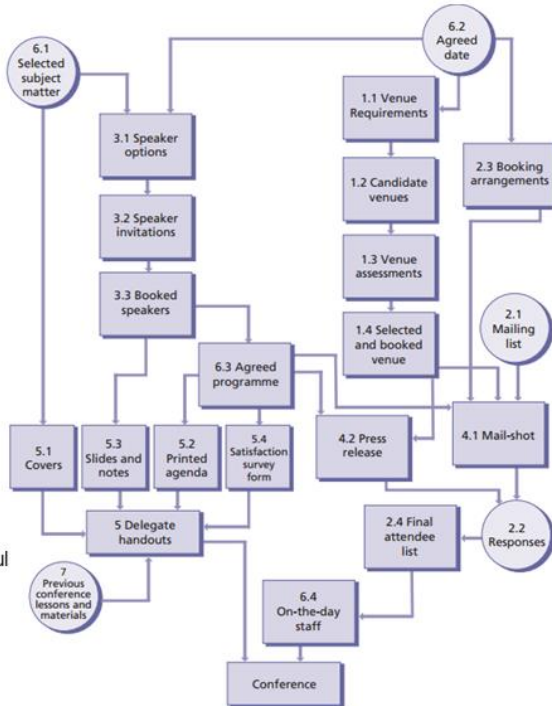
(Figure 7.3 Managing Successful Projects with PRINCE2® 2009 edition).

70

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

# Create the Product Flow Diagram



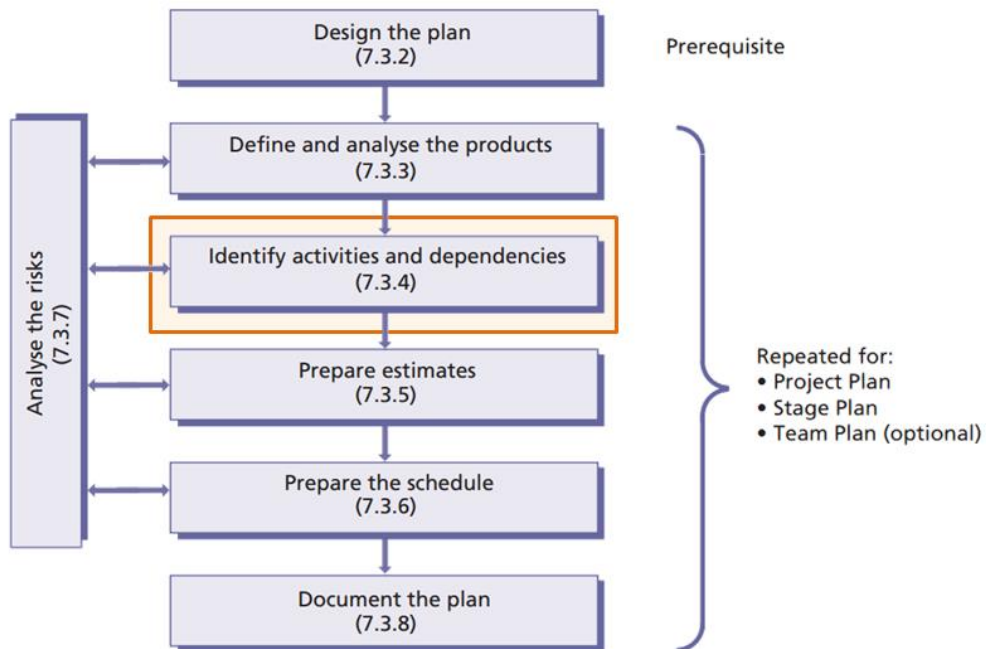
(Figure D.3 Managing Successful Projects with PRINCE2® 2009 edition).

71

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

# PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

72

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Identifying Activities and Dependencies

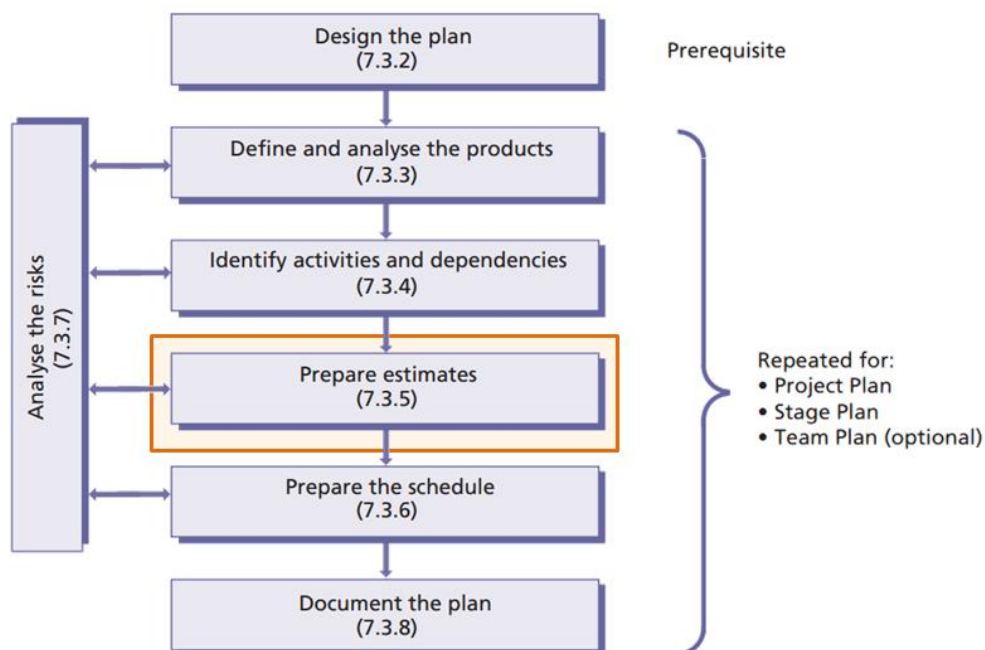
- In general there are two options:
  - make a separate list of activities in a project management software such as MS Project, or
  - Take the products from the product breakdown structure and create a work breakdown structure to define the activities required.
- Must include all activities required to develop the specialist products including management, quality checks, sourcing and obtaining products from external sources, converting external products, etc.

73

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

74

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Prepare Estimates

- There are many techniques including:
  - Top Down
  - Bottom up
  - Top Down with Bottom up
  - Comparative
  - Parametric
  - Single Point
  - Three Point
  - Delphi

75

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Estimating Basics

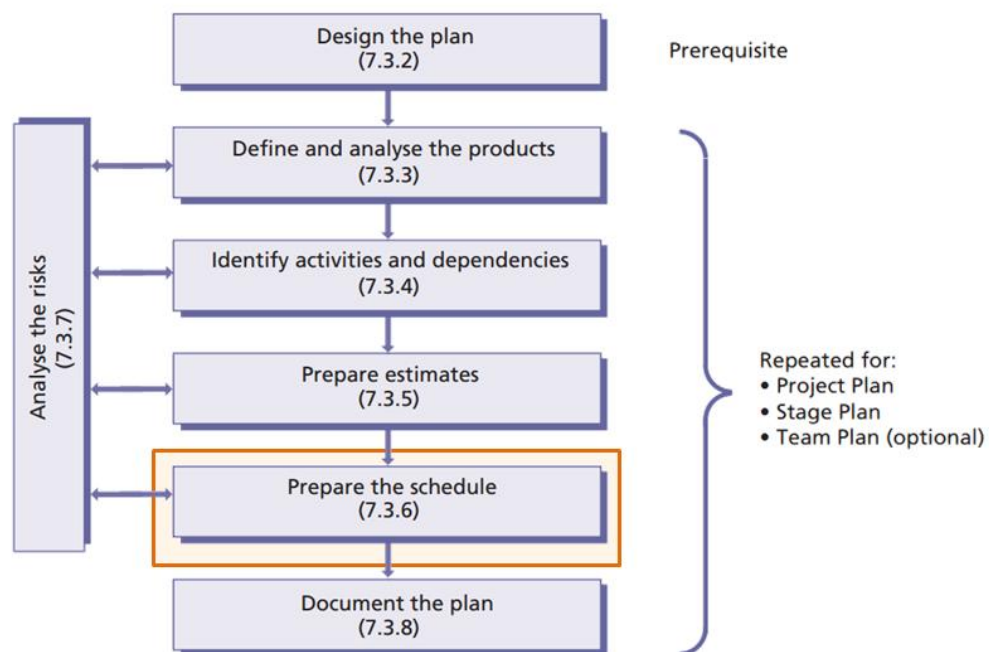
- Identify the resources required including human (skills, abilities, knowledge) and non-human.
- Estimate the effort / expenditure required per resource to accomplish the needed outcome.
- Generally resources are 70 to 80% productive.
- Effort and activity duration are not the same.
- Rely on previous experience of others as well as yourself when estimating.
- Ensure the person responsible for creating the product is responsible for creating effort estimates.
- Put contingency in for problems and unexpected events.
- Cost each activity, not the plan as a whole.
- Communicate any assumptions, exclusions or constraints you have to the user(s).
- People tend to underestimate how long tasks will take.

76

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

77

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Prepare the Schedule

- The schedule shows when activities will be carried out.
- Takes identified activities, their dependencies, their estimated effort and duration and sequences them for optimal performance.
- Resource allocation can significantly affect effort and duration.

78

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01



## Key Steps in Scheduling

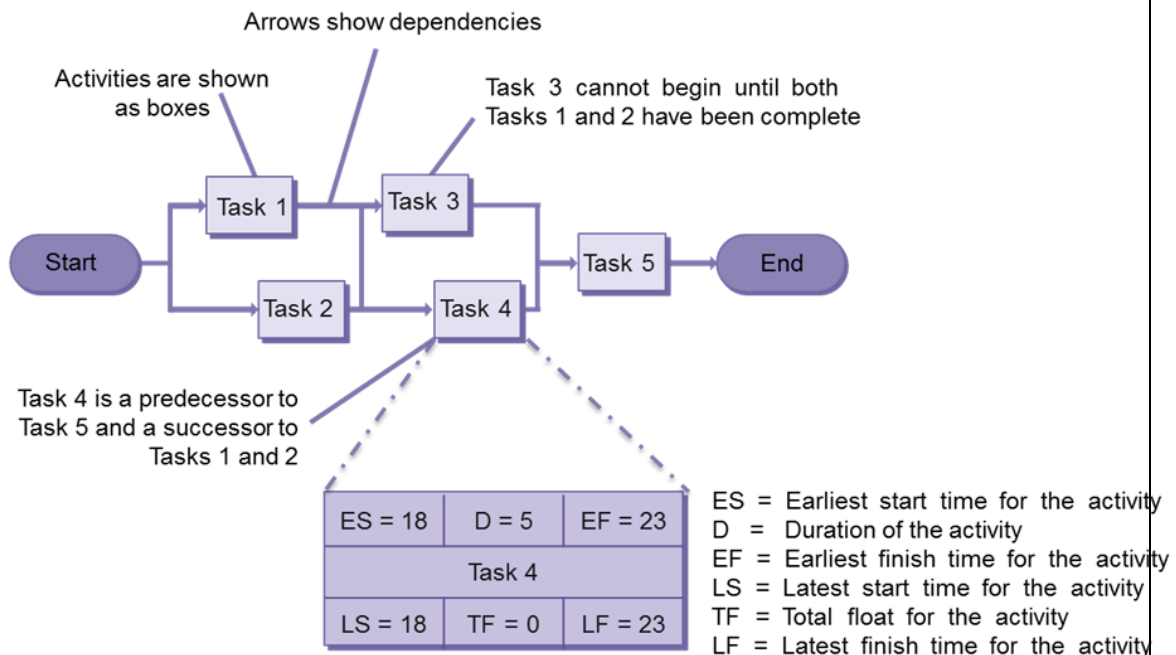
- Define activity sequence.
  - Activity on node diagram.
  - Critical path analysis.
- Assess available resources.
  - People, equipment, materials, purchased items.
  - Be specific regarding assumptions of hours and dates available, level of experience, names, etc.
- Make resource assignments and adjust effort and duration accordingly.
- Level resource usage.

79

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Activity on Node Diagram



(Figure 7.4 Managing Successful Projects with PRINCE2® 2009 edition).

80

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Understanding Critical Path

- The amount of time that an activity can be delayed without affecting the overall completion of the plan is known as the **float** or **Slack**.
- The critical paths are those sequences of activities that have zero float.
- If any activity on the critical paths finish late, the whole plan will finish late.
- Identifying the critical paths allows monitoring of activities that:
  - Must be completed on time for the whole plan to be completed to schedule
  - Can be delayed for a time period if resources need to be re-allocated to catch up on missed activities.

81

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Finish the Schedule

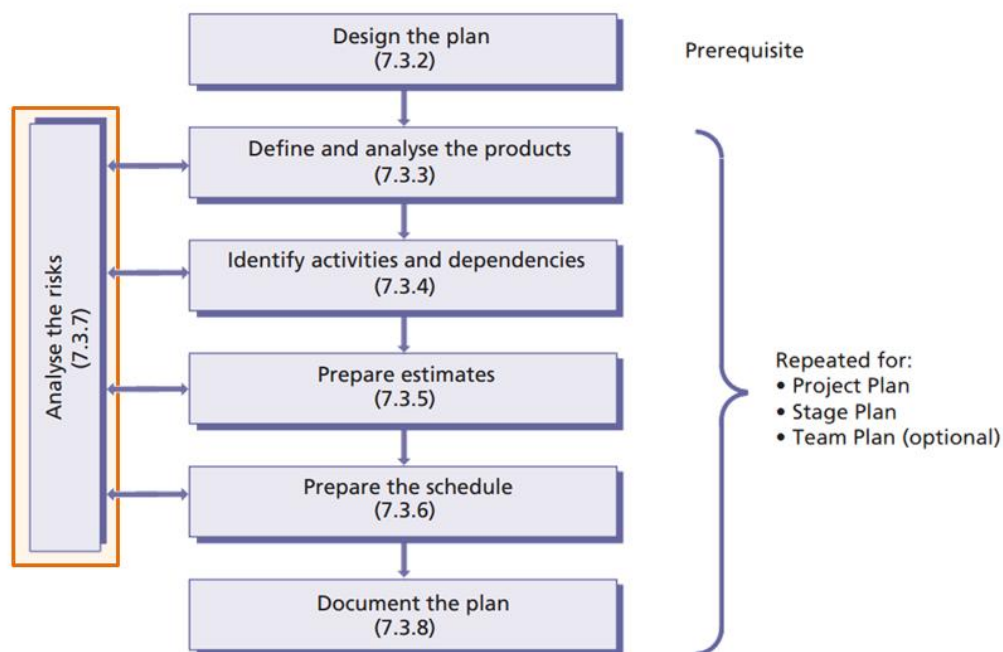
- Add agreed control points.
- Define milestones.
- Calculate total resource requirements and costs.
- Determine best ways to present the schedule and create the required charts, graphs, and or diagrams.

82

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

83

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Analysis

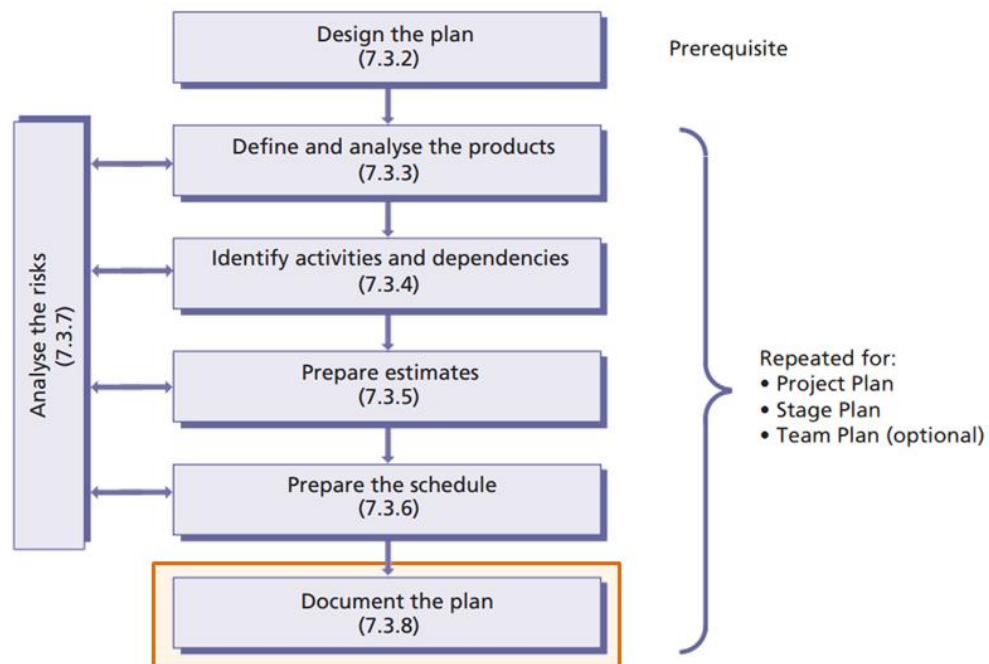
- Risk analysis is performed throughout the planning process.
- Examine all planning information to determine risks associated with the plan.
- Assess risks and modify plan if required.
- Enter risks in the risk register except during the initiation stage.
- During the initiation stage, use the daily log.

84

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## PRINCE2 Approach to Plans



(Figure 7.2 Managing Successful Projects with PRINCE2® 2009 edition).

85

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Prepare the Plan

- Do a thorough risk assessment of all aspects of the plan.
- Compile the plan into a document based on the design template created in the first step of the planning process.
- Complete all descriptive sections as per the plan template.
- Review the plan for completeness and accuracy, correct any errors or omissions.

86

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities

Role	Responsibilities
Corporate or programme management	Set project tolerances and document them in the project mandate. Approve Exception Plans when project-level tolerances are forecast to be exceeded. Provide the corporate or programme management planning standards.
Executive	Approve the Project Plan. Define tolerances for each stage and approve Stage Plans. Approve Exception Plans when stage-level tolerances are forecast to be exceeded. Commit business resources to Stage Plans (e.g. finance).
Senior User	Ensure that Project Plans and Stage Plans remain consistent from the user perspective. Commit user resources to Stage Plans.
Senior Supplier	Ensure that Project Plans and Stage Plans remain consistent from the supplier perspective. Commit supplier resources to Stage Plans.

(Table 7.1 Managing Successful Projects with PRINCE2® 2009 edition).

87

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities (cont'd)

Role	Responsibilities
Project Manager	Design the plans. Prepare the Project Plan and Stage Plans. Decide how management and technical stages are to be applied. Instruct corrective action when Work Package-level tolerances are forecast to be exceeded. Prepare an Exception Plan to implement corporate management, programme management or the Project Board's decision in response to Exception Reports.
Team Manager	Prepare Team Plans. Prepare schedules for each Work Package.
Project Assurance	Monitor changes to the Project Plan to see whether there is any impact on the needs of the business or the project Business Case. Monitor stage and project progress against agreed tolerances.
Project Support	Assist with the compilation of Project Plans, Stage Plans and Team Plans. Contribute specialist expertise (for example, planning tools). Baseline, store and distribute Project Plans, Stage Plans and Team Plans.

(Table 7.1 Managing Successful Projects with PRINCE2® 2009 edition).

88

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Homework

- Read pages 101 to 110 of Managing Successful Projects, and Appendices:
  - A.3, Checkpoint Report
  - A.7, Daily Log
  - A.8, End Project Report
  - A.9, End Stage Report
  - A.11, Highlight Report
  - A.12, Issue Register
  - A.14, Lessons Log
  - A.15, Lessons Report
  - A.18, Product Status Account
  - A.23 Quality Register
  - A.25, Risk Register
  - A.26 Work Package

89

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Lecture 5

- Progress Theme

90

Masaryk University

BPH-BUPR-CS-2017-01

The *purpose* of the *Progress theme* is to establish mechanisms to monitor and compare actual achievements against those planned; provide a forecast for the project objectives and the project's continued viability; and control any unacceptable deviations.

## PROGRESS THEME

91

BPH-BUPR-CS-2017-01

## Progress Theme

- Plans theme provides the mechanisms for monitoring and control and enables the critical assessment of ongoing project viability.
- Establish mechanisms to monitor and compare actual against planned performance.
- Provide a forecast for the project objectives and its continued viability.
- Control any unacceptable deviations based on agreed tolerances.

92

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Progress Controls

Progress controls ensure that for each level of the project management team the next level of management can:

- Monitor progress
- Compare level of achievement with plan
- Review plans and options against future situations
- Detect problems and identify risks
- Initiate corrective action
- Authorize further work.

(Axelos, 2009, p. 101)

93

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Exceptions and Tolerances

- Tolerances are permissible deviations above and below specific targets.
- Projects must have tolerances for time and cost in order to manage by exception.
- Tolerances may also be applied to risk, quality, scope and benefits.
- Exceptions are situations where the forecast predicts a deviation outside the agreed tolerance levels.

94

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01



## Six Tolerance Levels

Tolerance areas	Project level tolerances	Stage level tolerances	Work Package level tolerances	Product level tolerances
<b>Time</b> +/- amounts of time on target completion dates	Project Plan	Stage Plan	Work Package	NA
<b>Cost</b> +/- amounts of planned budget	Project Plan	Stage Plan	Work Package	NA
<b>Scope</b> Permitted variation of the scope of a project solution, e.g. MoSCoW prioritization of requirements (Must have, Should have, Could have, Won't have for now).	Project Plan (note 1)	Stage Plan (note 1)	Work Package (note 1)	NA
<p>Note 1 – the scope of a plan is defined by the set of products to be delivered. Scope tolerance (if used) should be in the form of a note on or reference to the product breakdown structure for the plan. Scope tolerance at the stage or Work Package level is of particular use if applying a time-bound iterative development method such as Agile.</p>				

(Table 10.1 Managing Successful Projects with PRINCE2® 2009 edition).

95

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Six Tolerance Levels (cont'd)

Tolerance areas	Project level tolerances	Stage level tolerances	Work Package level tolerances	Product level tolerances
<b>Risk</b> Limit on the aggregated value of threats (e.g. expected monetary value to remain less than 10% of the plan's budget); and Limit on any individual threat (e.g. any threat to operational service)	Risk Management Strategy	Stage Plan (note 2)	Work Package (note 2)	NA
<b>Quality</b> Defining quality targets in terms of ranges, e.g. a product that weighs 300g +/- 10g	Project Product Description	NA (note 3)	NA (note 3)	Product Description
<b>Benefits</b> Defining target benefits in terms of ranges, e.g. to achieve minimum cost savings of 5% per branch, with an average of 7% across all branches	Business Case	NA	NA	NA
<p>Note 2 – more specific stage level risk tolerances may be set by the Project Board when authorizing a stage or by the Project Manager when commissioning Work Packages, especially from external suppliers.</p>				
<p>Note 3 – quality tolerances are not summarily defined at the stage or Work Package level but are defined per Product Description within the scope of the plan.</p>				

96

(Table 10.1 Managing Successful Projects with PRINCE2® 2009 edition).  
Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Approach to Progress

- Delegating Authority from one level of management to the level below.
- Dividing the project into management stages, authorizing stages one at a time.
- Event-driven and time-driven reporting.
- Raising exceptions.
- All project controls must be documented in the Project Initiation Document.

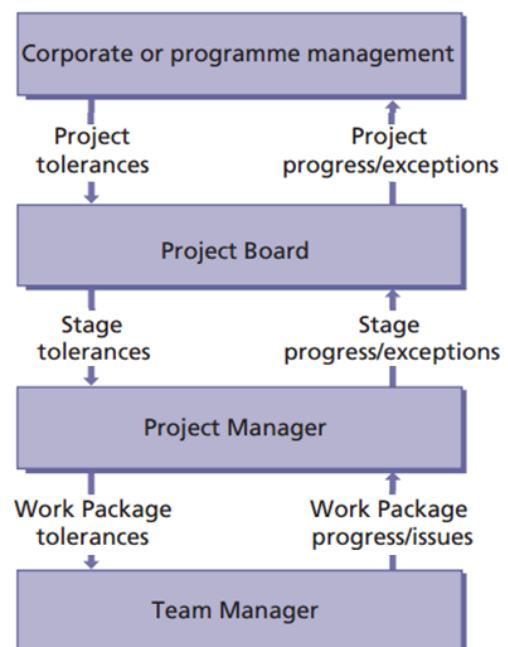
97

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Delegating Authority

- Four levels of management.
- Six tolerances used to manage by exception.
- Project controls:
  - Authorisations
  - Progress updates
  - Exceptions and changes



(Figure 10.1 Managing Successful Projects with PRINCE2® 2009 edition).

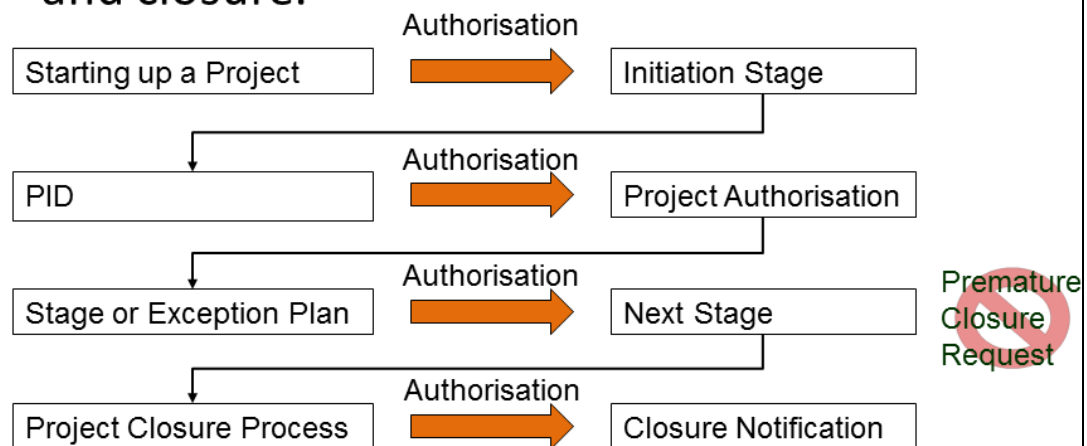
98

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Project Board Controls: Authorisation

- Board uses the Directing a Project process to authorise initiation, the project, each stage, and closure.



99

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk UniversityBPH-BUPR-CS-2017-  
01

## Other Project Board Controls

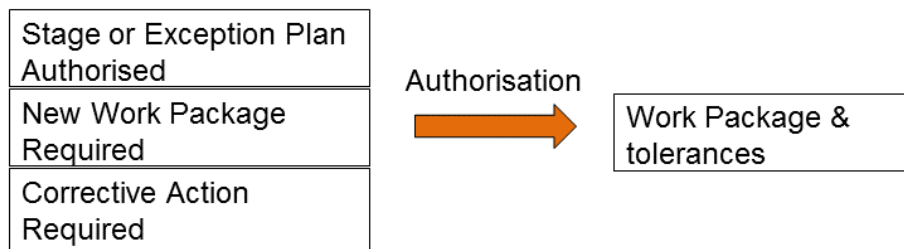
- Progress Updates:
  - Highlight Reports
  - End Stage Reports
- Exceptions and Changes:
  - Exception Reports
  - Issues Reports

100

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk UniversityBPH-BUPR-CS-2017-  
01

## Project Manager Controls

- PM uses the Controlling a Stage process to authorise Work Packages and their tolerances.



- Progress updates: Checkpoint Reports
- Exceptions and Changes: project registers & logs

101

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Management Stages for Control

- Management stages are partitions in the project with decision points.
- Each stage is a collection of activities and products whose delivery is managed as a unit.
- The Project manager manages that collection of work on behalf of the Project Board.
- Number of stages: A minimum of two.
- Stage length varies with product complexity, risk, planning horizons, technical stages, and programme requirements.

102

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Technical Stages

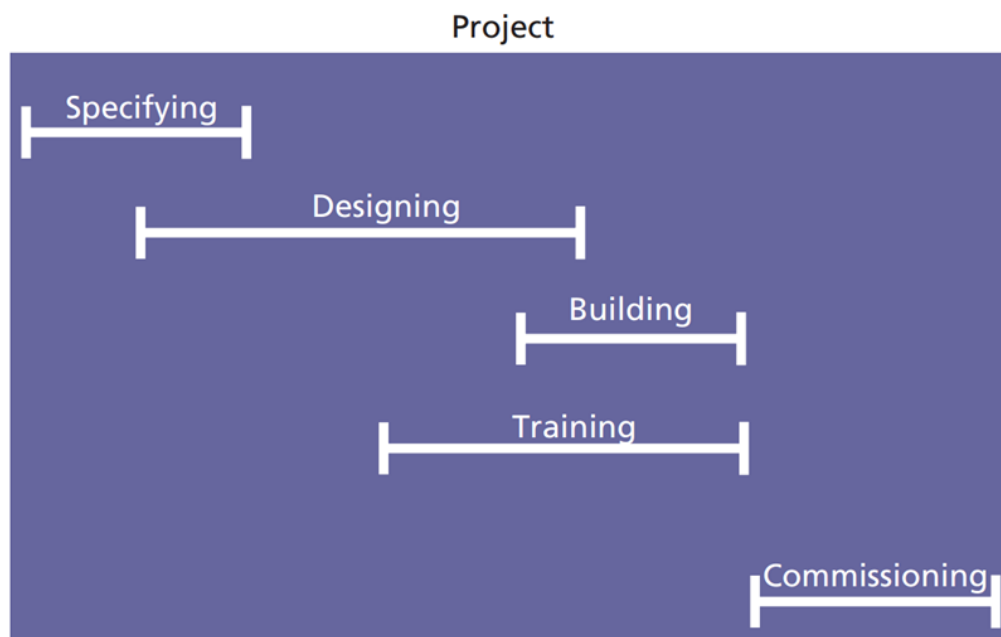
- Technical stages and management stages are not the same.
- Technical stages are activity or techniques based partitions and often overlap, management stages do not.
- Technical stages often use a particular set of specialist skills. Management stages equate to commitment of resources and authority to spend.
- Often the two types of stages will coincide especially when the management decision is based on the output from the technical stage.
- However, just as often, the stage boundaries will not coincide.
- PRINCE2 concentrates on the management stages.

103

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Specialist work in Technical Stages



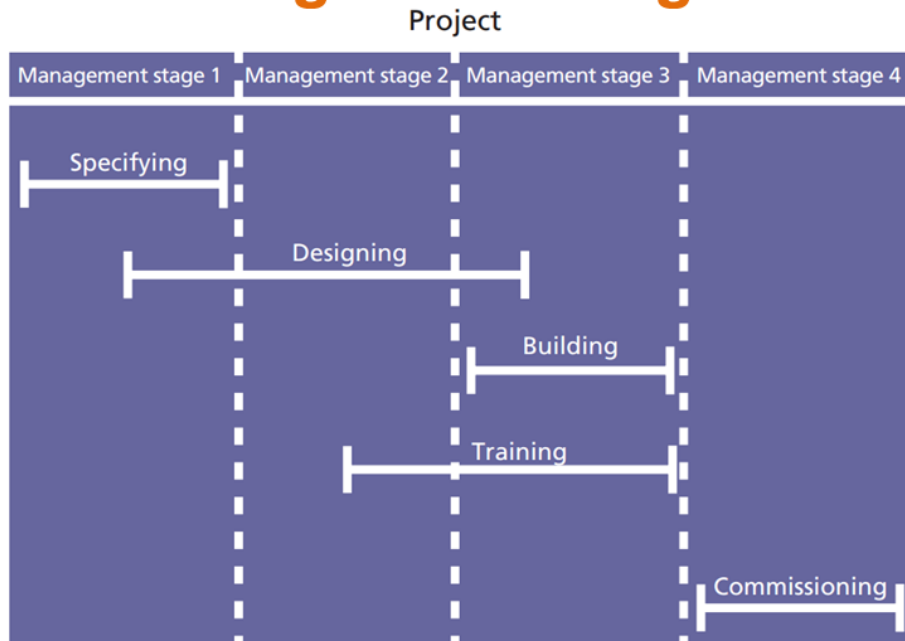
(Figure 10.2 Managing Successful Projects with PRINCE2® 2009 edition).

104

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

# Specialist work Crossing Management Stages



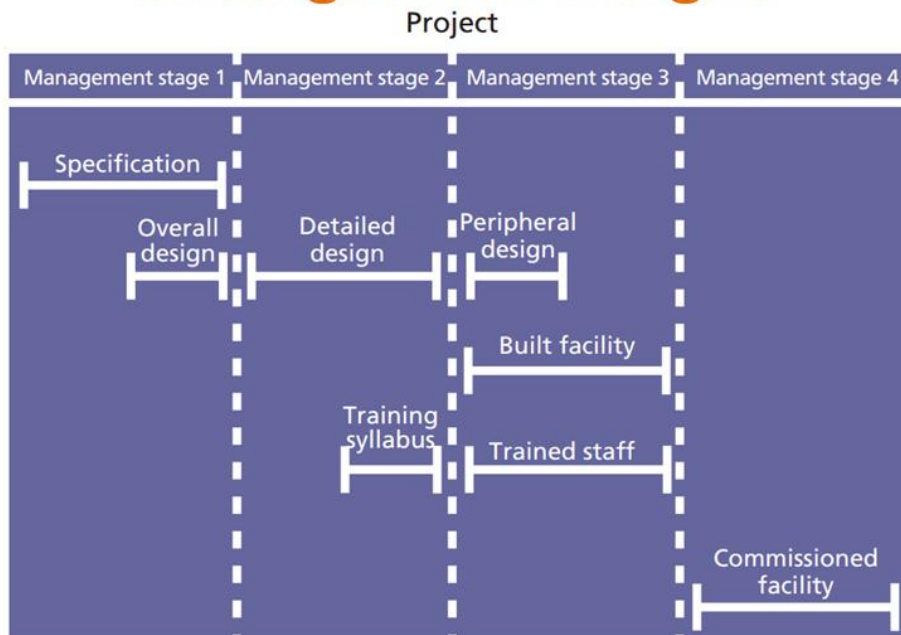
(Figure 10.3 Managing Successful Projects with PRINCE2® 2009 edition).

105

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

# Specialist work Aligned to Management Stages



(Figure 10.3 Managing Successful Projects with PRINCE2® 2009 edition).

106

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Event-driven and Time-driven Controls

- Event-driven controls take place when a specific event takes place. These are decision making controls.
- Time-driven controls take place at specified intervals. These are monitoring and reporting controls.
- The baseline for establishing progress controls comes from the Project Plan, Stage Plans, Exception Plans, and Work Packages.
- Checkpoint reports, registers, and logs are used by the PM to review progress.
- Lessons Log and Lessons Learned Report are management products used to capture and report lessons when reviewing progress.

107

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Progress Evaluation Techniques

- Specifying what progress evaluation techniques to use is outside the scope of PRINCE2.
- Some Examples:
  - Milestone technique
  - Start – Finish rule
  - Percentage Complete
  - Earned value (Product based planning makes this easy)

108

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Reporting Progress

- Frequency of reporting should reflect level of control required.
- Level of control may vary from stage to stage.
- Factors influencing the level of control include management team experience, complexity of the stage, risk, etc.
- Management products used for progress reporting are:
  - Checkpoint Report (Frequency defined by work package)
  - Highlight Reports (Documented in the Communication Strategy)
  - End Stage Report
  - End Project Report

109

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Raising Exceptions

- Work Package level exceptions are raised by the Team Manager when Work Package tolerances are forecasted to be exceeded. Documented by raising and logging an issue.
- Stage level exceptions are raised by the Project Manager when stage tolerances are forecasted to be exceeded. Documented by raising an Issue and submitting an Exception Report to the Project Board
- An Exception Report describes the exception situation, its impact, options, recommendation and impact of the recommendation.
- Project level exceptions are raised when project level tolerances are forecasted to be exceeded and are reported to corporate or programme management.

110

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01



## Responsibilities

Role	Responsibilities
Corporate or programme management	Provide project tolerances and document them in the project mandate. Make decisions on Exception Plans when project-level tolerances are forecast to be exceeded.
Executive	Provide stage tolerances. Ensure that progress towards the outcome remains consistent from the business perspective. Make decisions on Exception Plans when stage-level tolerances are forecast to be exceeded. Recommend future action on the project to corporate or programme management if the project tolerance is forecast to be exceeded.
Senior User	Ensure that progress towards the outcome remains consistent from the user perspective.
Senior Supplier	Ensure that progress towards the outcome remains consistent from the supplier perspective.
Project Manager	Authorize Work Packages. Monitor progress against Stage Plans. Produce Highlight Reports, End Stage Reports, Lessons Reports and End Project Report. Produce Exception Reports for the Project Board when stage- or project-level tolerances are forecast to be exceeded.

(Table 10.2 Managing Successful Projects with PRINCE2® 2009 edition).

111

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Responsibilities (cont'd)

Role	Responsibilities
Team Manager	Agree Work Packages with the Project Manager. Inform Project Support of completed quality activities. Produce Checkpoint Reports. Notify the Project Manager of any forecast deviation from Work Package tolerances.
Project Assurance	Verify the Business Case against external events and project progress. Verify changes to the Project Plan to see whether there is any impact on the needs of the business or the Business Case. Confirm stage and project progress against agreed tolerances.
Project Support	Assist with the compilation of reports. Contribute specialist tool expertise (for example, planning and control tools). Number, record, store and distribute Issue Reports and Exception Reports. Assist the Project Manager in maintaining the Issue Register and Risk Register. Maintain the Quality Register on behalf of the Project Manager.

(Table 10.2 Managing Successful Projects with PRINCE2® 2009 edition).

112

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Homework

- Read Pages 47 to 58 of Managing Successful Projects and Appendices A.22, Quality Management Strategy

113

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-01

## Lecture 6

- Quality Theme
- Quality Review Technique
- Quality Management

114

*Masaryk University*

BPH-BUPR-CS-2017-01

The *purpose* of the *Quality theme* is to define and implement the means by which the project will create and verify products that are fit for purpose.

## QUALITY THEME

115

BPH-BUPR-CS-2017-01

## Quality Theme

- Defines the approach to ensuring products:
  - Meet business expectations
  - Enable benefits to be achieved
- A product focus is central to quality.
- It provides an explicit understanding of project scope and product assessment criteria.
- Product quality criteria and quality management activities must be included in plan estimates.
- Theme addresses methods and responsibilities for the specification, development and approval of the products and the management of the project.

116

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Quality Defined

- Terminology is derived from the ISO 9000 standards.
- In PRINCE2 the focus of quality is on the ability of a product's features and characteristics to meet expectations or satisfy the stated needs, requirements or specification.

117

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Quality Management System

- Quality management is the coordinated activities to direct and control an organization with regard to quality.
- A quality management system is the complete set of quality standards, procedures and responsibilities for a site or organization. A site or organization is the permanent or semi-permanent organization(s) sponsoring the project work and are 'external' to the project.
- They could be the corporation, a division or a programme. Any of these may have their own quality management system.
- When more than one organisation participates in a project and they each have their own quality management system, the project's approach to quality must address this situation.
- (Axelos, 2009, p. 47)

118

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Quality Control

- Activities and techniques used by project members to ensure that product quality criteria are met.
- Activities and techniques used by project members to engage in continuous improvement and eliminating unsatisfactory performance.

119

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

## Quality Assurance

- Quality assurance is independent of the project management team and their activities are outside the scope of PRINCE2.
- It is a project management responsibility to ensure that a proper level of quality assurance is arranged for the project.
- Quality assurance independently verifies that the organisation and processes are in place for quality planning and control and provides stakeholders with confidence that the quality requirements can be met.
- Quality assurance as a function establishes and maintains the quality management system.
- As an activity, provides independent assessments of a project's processes, organisation, and/or management products to see if they are adequate to ensure quality requirements will be met.
- Quality assurance is not Project Assurance nor does it do quality planning or quality control. These activities are internal to the project.

120

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

## Project versus Quality Assurance

	Project Assurance	Quality assurance
<b>What they do</b>	Provide assurance to the project's stakeholders that the project is being conducted appropriately and properly.	Provide assurance to the wider corporate or programme organization that the project is being conducted appropriately, properly and complies with relevant corporate or programme management standards and policies.
<b>How they differ</b>	<p>Must be independent of the Project Manager, Project Support, Team Managers and project teams.</p> <p>Responsibility of the Project Board, therefore undertaken from <b>within the project</b>.</p>	<p>Performed by personnel who are independent of the project (i.e. not a member of the project management team).</p> <p>Responsibility of the corporate or programme management organization, therefore <b>external to the project</b>.</p>
<b>How they relate</b>	Quality assurance as a corporate or programme management function could be used by the Project Board as part of its Project Assurance regime (for example, having quality assurance perform a peer review).	Quality assurance would look for (or require) effective Project Assurance as one of the indicators that the project is being conducted properly.  (Table 6.1 Managing Successful Projects with PRINCE2® 2009 edition).

121

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

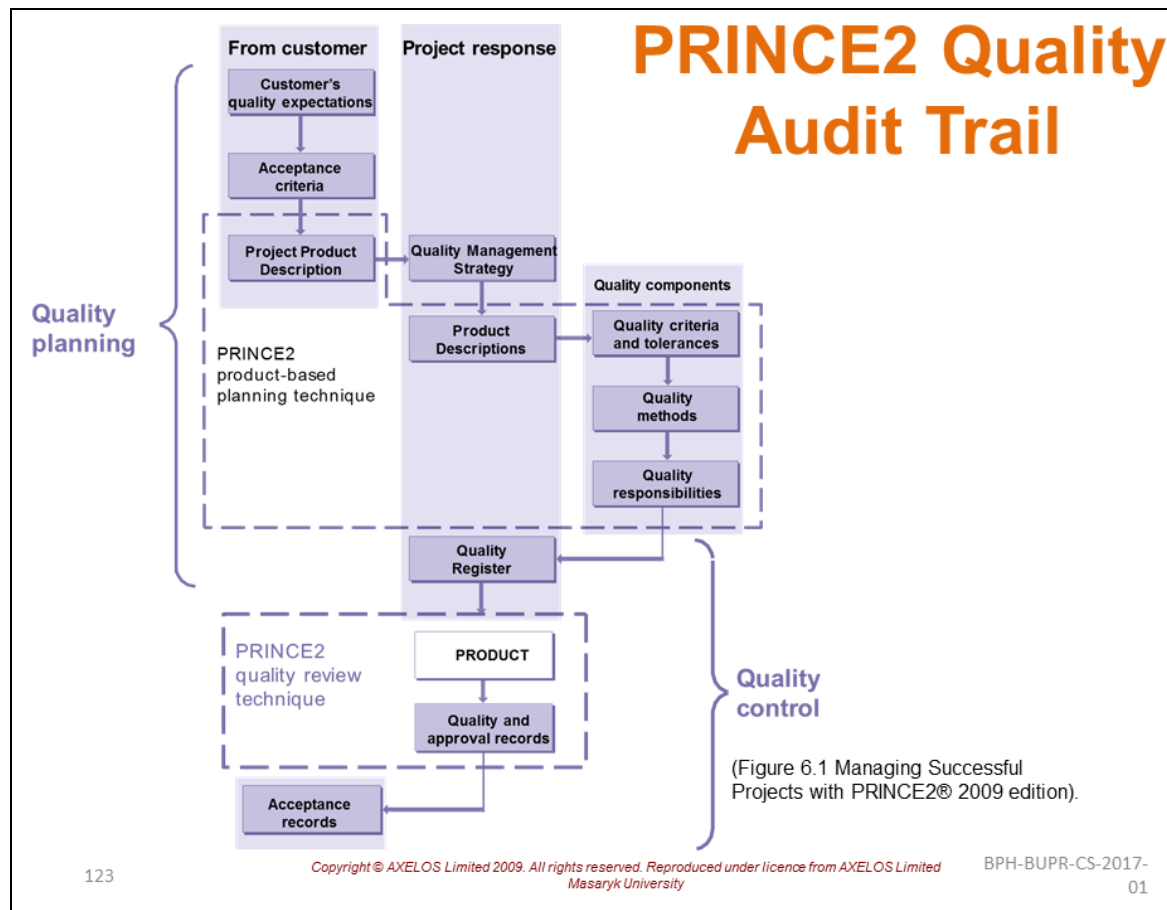
## Approach to Quality

- Use a product based focus
- Identify all products to be created by the project
- Define all products in clearly written product descriptions
- Ensure the designated quality methods are implemented and tracked throughout the project
- Covered through Quality Planning, Quality Control and Quality Assurance activities

122

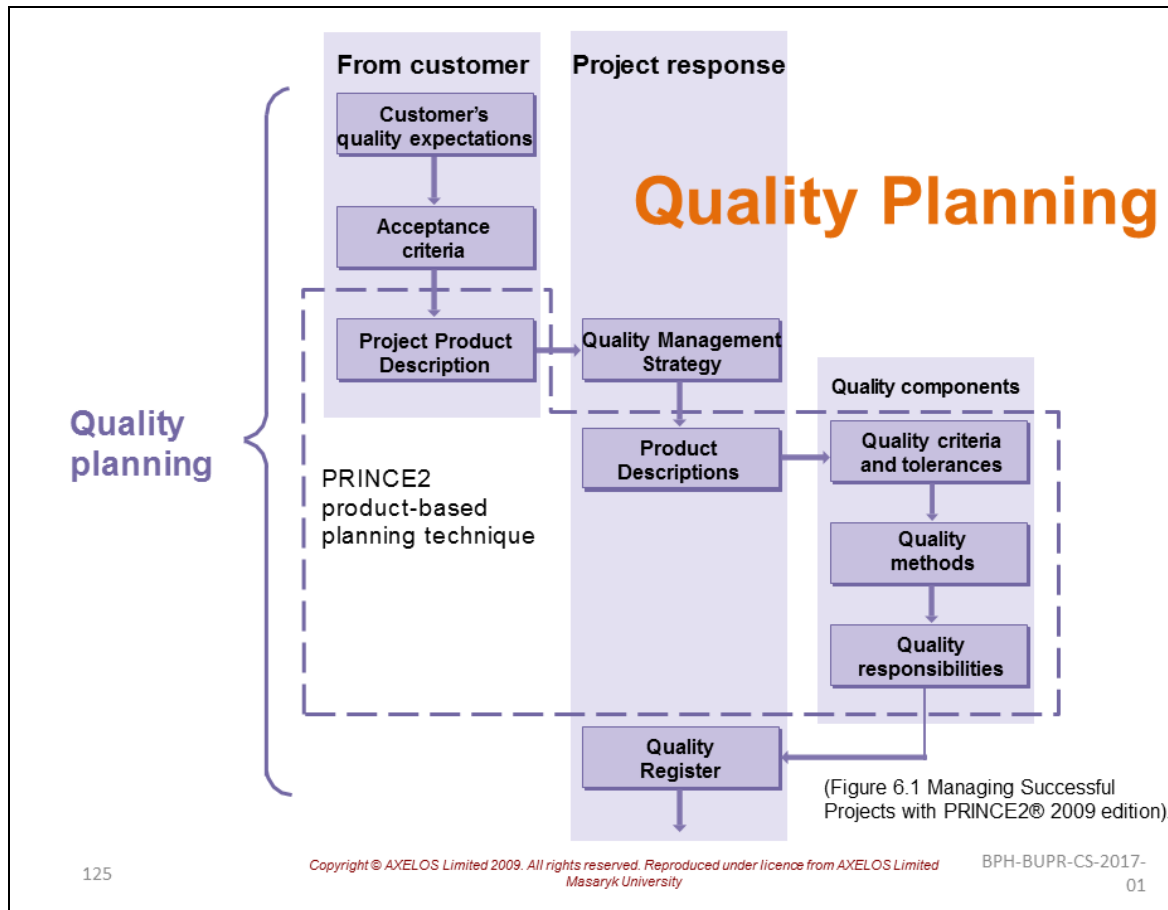
Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01



## Quality Planning

- Provides the basis for:
  - Project Board Agreement
  - Communicating these agreements to all stakeholders
  - Establishing baseline controls that ensure products are fit for purpose
- Comprises:
  - Understanding the customers quality expectations
  - Defining the projects acceptance criteria
  - Documenting the quality expectations and acceptance criteria in the Project Product Description
  - Formulating the Quality Management Strategy
  - Writing clear Product descriptions
  - Setting up the quality register (Axelos, 2009, P. 50)



125

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Quality Register

- Shared between Quality Planning and Quality Control.

Quality Activity ID	Product ID	Product	Quality Method	Producer	Reviewer(s)	Approver(s)	Target Review Date	Actual Review Date	Target Approval Date	Actual Approval Date	Result
1	121	Test Plan	Inspection	Ali	Paulo	John, Rita	14-Feb	21-Feb	21-Feb	28-Feb	Pass
2	124	Water Pump	Performance Test	Paulo	Ali, Bob	John	20-Mar	20-Mar	27-Mar	NA	Fail
3	124	Water Pump	Maintenance Test	Paulo	Ali, Amir	Rita	21-Mar	21-Mar	27-Mar	27-Mar	Pass
.	.	.	.	.	.	.	.	.	.	.	.

(Table 6.2 Managing Successful Projects with PRINCE2® 2009 edition).

126

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01



## Quality Control

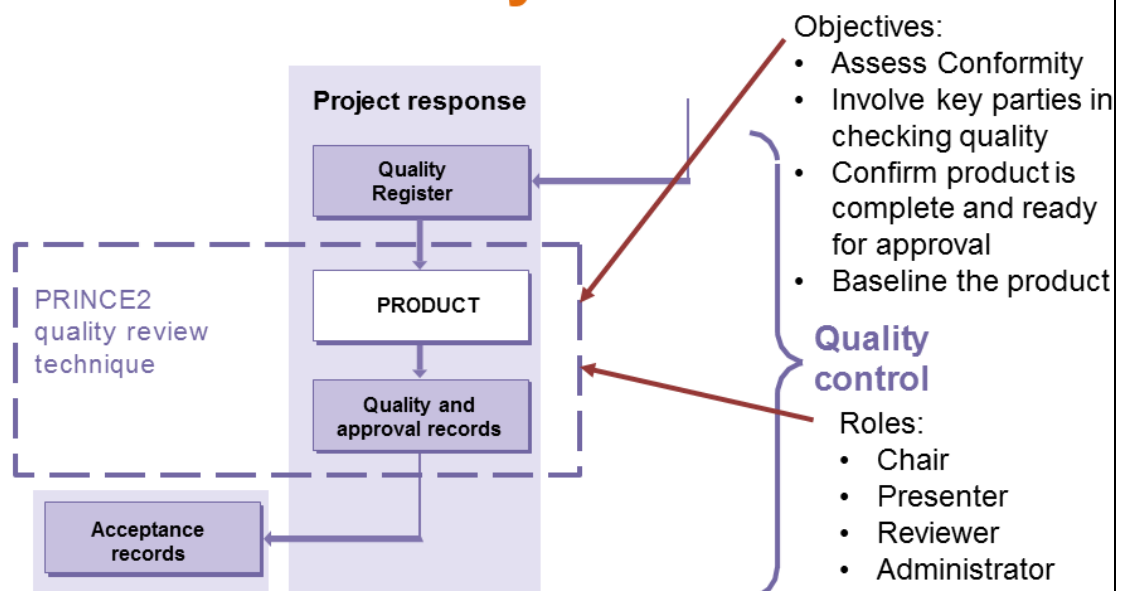
- Implementing, monitoring and recording the quality methods and responsibilities defined in the Quality Management Strategy and the Product Descriptions.
- Comprises:
  - Carrying out the quality methods
  - Maintaining quality and approval records
  - Gaining acceptance for products
- Quality Methods:
  - In-process or inherent
  - Appraisals

127

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Quality Control



(Figure 6.1 Managing Successful Projects with PRINCE2® 2009 edition).

128

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Responsibilities

Role	Responsibilities
Corporate or programme management	Provide details of the corporate or programme quality management system. Provide quality assurance.
Executive	Approve the Project Product Description. Approve the Quality Management Strategy. Confirm acceptance of the project product.
Senior User	Provide the customer's quality expectations and acceptance criteria. Approve the Project Product Description. Approve the Quality Management Strategy. Approve Product Descriptions for key user products. Provide resources to undertake user quality activities and product approval. Provide acceptance of the project product.
Senior Supplier	Approve the Project Product Description (if appropriate). Approve the Quality Management Strategy. Approve the quality methods, techniques and tools adopted in product development. Provide resources to undertake supplier quality activities. Approve Product Descriptions for key specialist products.

(Table 6.3 Managing Successful Projects with PRINCE2® 2009 edition).

129

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities (cont'd)

Role	Responsibilities
Project Manager	Document customer's quality expectations and acceptance criteria. Prepare the Project Product Description (with users). Prepare the Quality Management Strategy. Prepare and maintain the Product Descriptions. Ensure that Team Managers implement the quality control measures agreed in Product Descriptions and Work Packages.
Team Manager	Produce products consistent with Product Descriptions. Manage quality controls for the products concerned. Assemble quality records. Advise the Project Manager of product quality status.
Project Assurance	Advise the Project Manager on the Quality Management Strategy. Assist the Project Board and Project Manager by reviewing the Product Descriptions. Advise the Project Manager on suitable quality reviewers/approvers. Assure Project Board members on the implementation of the Quality Management Strategy, i.e. the proper conduct of the project management and quality procedures.
Project Support	Provide administrative support for quality controls. Maintain the Quality Register and the quality records. Assist Team Managers and members with the application of the project's quality processes.

(Table 6.3 Managing Successful Projects with PRINCE2® 2009 edition).

130

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Homework

- Read pages 91 to 97 of Managing Successful Projects and Appendices:
  - A.5, Configuration Item Records
  - A.6, Configuration Management Strategy
  - A.12, Issue Register
  - A.13, Issue Report
  - A.18, Product Status Account

131

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-01

## Lecture 7

- Change Theme
- Configuration Management

132

*Masaryk University*

BPH-BUPR-CS-2017-01

The *purpose* of the *Change theme* is to identify, assess and control any potential and approved changes to the baseline.

## CHANGE THEME

133

BPH-BUPR-CS-2017-01

## Change Defined

- Change is inevitable and therefore projects need a systematic approach to identifying, measuring the impact of, and controlling possible changes
- Issue and change control is a continual activity that ensures every change is dealt with in a common manner
- Configuration management records the baselines for project products and manages version control
- Issue and change control ensures changes to baselined products can not take place without the agreement of the relevant change authority
- Changes can be approved, rejected, or deferred
- Issue and change control procedures need to be integrated with the configuration management system

134

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-01

## Configuration Management

- Configuration management is the activity concerned with the creation, maintenance and controlled change of configuration items
- Configuration items are a component of a product, a product or a set of products that make up a release
- A release is a set of products that are delivered to a user as a single item

135

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Issues

- Any relevant event that has happened, was not planned, and requires management action.
- Issues can be:
  - A concern
  - Query
  - Request for change
  - Suggestion
  - Problem
  - Off-specification

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
136  
01

## Examples of Issues

Types of issue	Definition	Examples
Request for change	A proposal for a change to a baseline.	The Senior User would like to increase the capacity of a product from 100 to 150 users.
Off-specification	Something that should be provided by the project, but currently is not (or is forecast not to be) provided. This might be a missing product or a product not meeting its specification.	Advice from a supplier that they can no longer deliver one of the products specified by the customer.
Problem/concern	Any other issue that the Project Manager needs to resolve or escalate.	Advice from a Team Manager that a team member has been taken ill and as a result the target end date for a Work Package will slip by a week. Notification that one of the suppliers has gone bankrupt, resulting in the need to identify and engage a new supplier.

(Table 9.1 Managing Successful Projects with PRINCE2® 2009 edition).

137

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Approach to Change

- Establish Controls
- Configuration Management
- Issue and Change Control Procedure

138

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Establish Controls

- Configuration Management Strategy
  - Defines how issue, change control and configuration management will be handled.
- Configuration Item Records
- Product Status Account
- Daily Log
- Issue Register
- Issue Reports
- Change Authority
- Change Budget

139

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

## Configuration Management

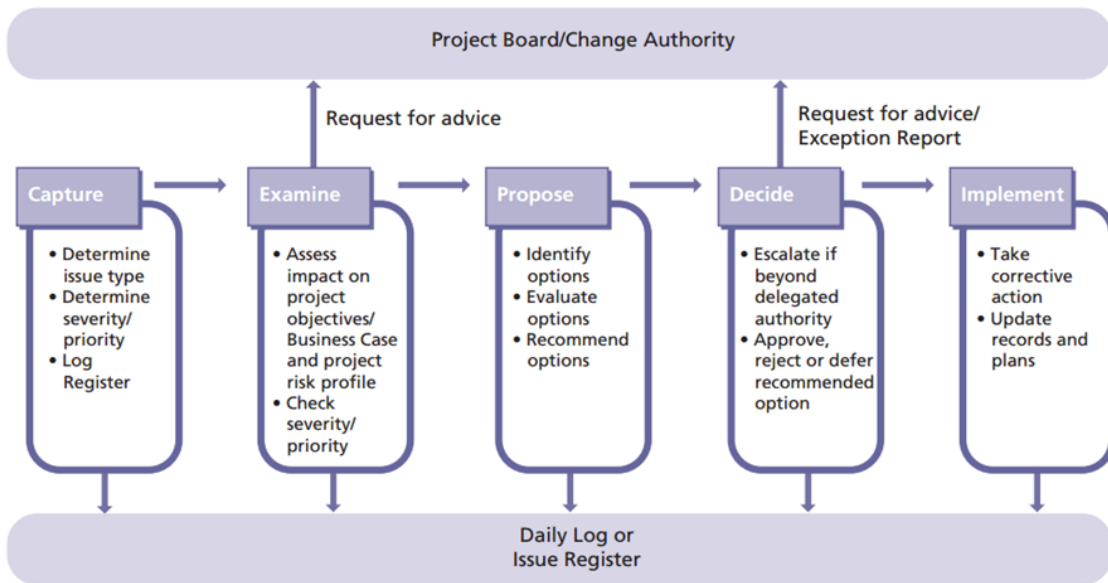
- Planning
- Identification
- Control
- Status Accounting
- Verification and Audit

140

*Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University*

BPH-BUPR-CS-2017-  
01

# Issue and Change Control Procedure



(Figure 9.1 Managing Successful Projects with PRINCE2® 2009 edition).

141

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Responsibilities, Project Board

Request	Project Board (or Change Authority) response	Considerations
Request for change	<ul style="list-style-type: none"> <li>■ Approve the change</li> <li>■ Reject the change</li> <li>■ Defer decision</li> <li>■ Request more information</li> <li>■ Ask for an Exception Plan (if the request for change cannot be implemented within the limits delegated to the Change Authority).</li> </ul>	<p>If a request for change involves extra cost, there are three principal ways to fund it:</p> <ul style="list-style-type: none"> <li>■ Use the change budget (if being used and if of sufficient size)</li> <li>■ Increase the project budget</li> <li>■ De-scope other elements of the project.</li> </ul> <p>Tolerance should not be used to fund requests for change.</p>
Off-specification	<ul style="list-style-type: none"> <li>■ Grant a concession</li> <li>■ Instruct that the off-specification be resolved</li> <li>■ Defer decision</li> <li>■ Request more information</li> <li>■ Ask for an Exception Plan (if the concession cannot be granted within the limits delegated to the Change Authority).</li> </ul>	<p>The Project Board may decide to accept the off-specification without immediate corrective action. This is referred to as a <b>concession</b>. When a product is granted a concession, the Product Description will need to be revised before the product is handed over to the User.</p>
Problem/concern	<ul style="list-style-type: none"> <li>■ Provide guidance</li> <li>■ Ask for an Exception Plan</li> </ul>	<p>Could the problem/concern be resolved by relaxing the stage tolerances?</p>

(Table 9.2 Managing Successful Projects with PRINCE2® 2009 edition).

142

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01



## Responsibilities, Change Theme

Role	Responsibilities
Corporate or programme management	Provide the corporate or programme strategy for change control, issue resolution and configuration management.
Executive	Determine the Change Authority and change budget. Set the scale for severity ratings for issues. Set the scale for priority ratings for requests for change and off-specifications. Respond to requests for advice from the Project Manager. Make decisions on escalated issues, with particular focus on continued business justification.
Senior User	Respond to requests for advice from the Project Manager. Make decisions on escalated issues with particular focus on safeguarding the expected benefits.
Senior Supplier	Respond to requests for advice from the Project Manager. Make decisions on escalated issues, with particular focus on safeguarding the integrity of the complete solution.
Project Manager	Manage the configuration management procedure, assisted by Project Support where possible. Manage the issue and change control procedure, assisted by Project Support where possible. Create and maintain the Issue Register, assisted by Project Support where possible. Implement corrective actions.
Team Manager	Implement corrective actions.
Project Assurance	Advise on examining and resolving issues.
Project Support	Administer the configuration management and issue and change control procedures: <ul style="list-style-type: none"> <li>■ Maintain Configuration Item Records</li> <li>■ Produce Product Status Accounts</li> <li>■ Assist the Project Manager to maintain the Issue Register.</li> </ul>

(Table 9.3 Managing Successful Projects with PRINCE2® 2009 edition).

143

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Homework

- Read pages 77 to 88 of Managing Successful Projects and Appendices:
  - A.24, Risk Management Strategy
  - A.25, Risk Register

144

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Lecture 8

- Risk Theme
- Risk Management Strategy

145

Masaryk University

BPH-BUPR-CS-2017-01

The *purpose* of the *Risk theme* is to identify, assess and control uncertainty and, as a result, improve the ability of the project to deliver the anticipated benefits.

## RISK THEME

146

BPH-BUPR-CS-2017-01

## Risk Defined

- Risks are uncertain events that could have a positive or negative impact on a project's outcomes if they occur.
- Threats are risks with a potential negative impact.
- Opportunities are risks with a potential positive impact.
- Risks are inevitable and must be systematically managed in accordance with an effective risk management procedure.

147

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Management

- Determine what, if any, risk management policies or procedures exist within the organisation or the programme.
- Every project needs its own Risk Management Strategy (RMS) that addresses the unique project requirements while remaining compliant with corporate or programme risk management requirements.
- It must describe how risk management will be incorporated in the project management activities.
- It should also include the Project Board's attitude towards risk taking (risk appetite).
- The risk appetite dictates the amount of risk deemed acceptable to the Board. This information is used to set the risk tolerance.

148

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Management Strategy

- Many factors influence the strategy such as the customer's quality expectations, number of organizations involved, stakeholder needs, project dynamics, and assumptions to name a few.
- Much of this information comes from the Project Brief and Project Product Description.
- Composition covers procedures, tools and techniques, records and reporting, timing of risk activities, roles and responsibilities, scales for probability, impact, proximity, risk categorization, response categories, early warning indicators, risk tolerances, and risk budget approach.

149

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Register

- Prior to establishing the Risk Register, risks are captured in the Project Manager's daily log.
- Once established, information on ALL of the identified risks relating to the project are captured and maintained in the register.
- Project Support will usually maintain the Risk Register on behalf of the Project Manager.
- The Risk Management Strategy describes the procedure for registering risks and maintaining the risk register. (Axelos, 2009, P. 79)

150

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

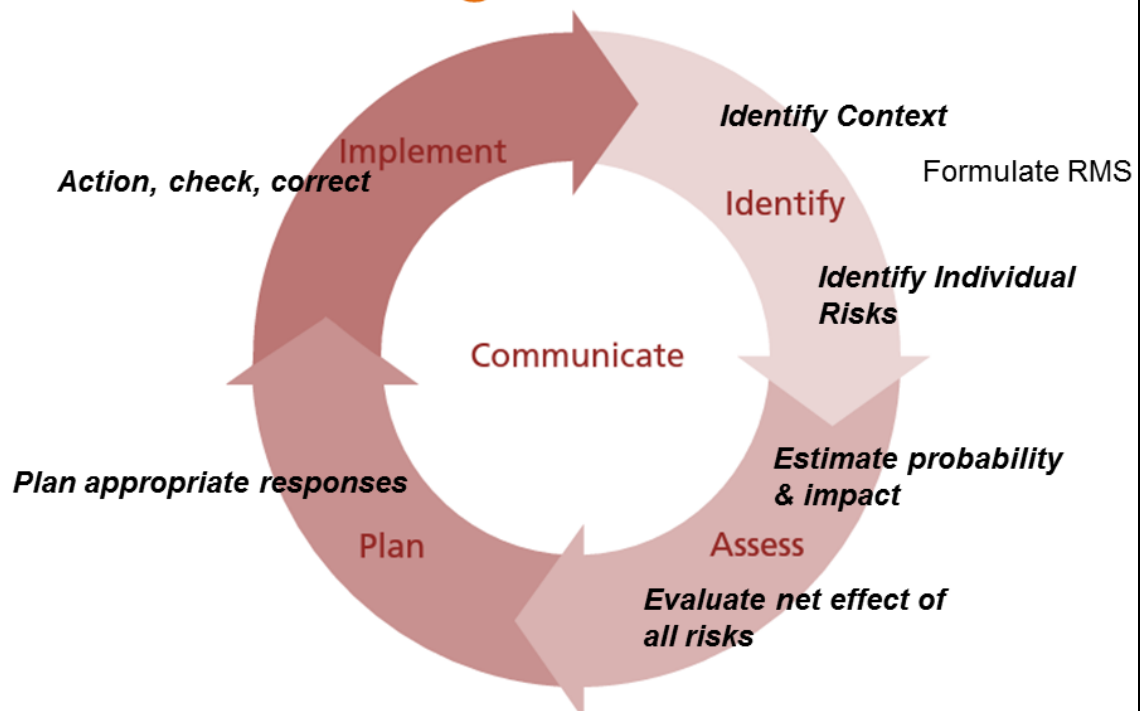
## Risk Register Contents

- Each risk entered in the register must have a unique identifier
- Typical details in the register include:
  - Who raised the risk and when was it raised
  - The risk category as defined in the RMS
  - A description of the risk and it's proximity
  - Probability, impact, and expected value
  - Risk response category and response actions
  - Status, owner and actionee

151

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk UniversityBPH-BUPR-CS-2017-  
01

## Risk Management Procedure



152

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk UniversityBPH-BUPR-CS-2017-  
01

## Identify Context

- Using the project, understand the specific objectives that are at risk
- During the initiation stage, formulate the Risk Management Strategy
- The strategy should be reviewed and possibly updated at the end of each stage
- It should be based on the corporate risk management policy and/or on the Programme's Risk Management Strategy

153

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Early Warning Indicators

- Early warning indicators provide advanced warning that a project's objectives could be at risk
- They can include progress performance data or non-project data if they are relevant to the project
- It is also important to analyse and report on whether they are improving or deteriorating over time
- Early warning indicators should be described in the RMS along with procedures for their use

154

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Identify Risks

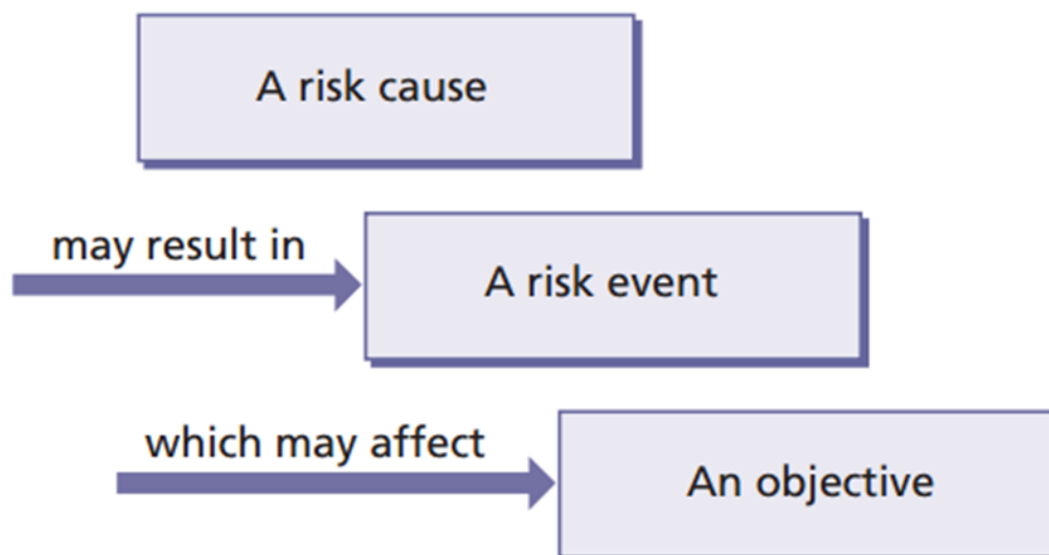
- The goal is to proactively determine opportunities and threats as early as possible
- Many techniques can be used
- Identified risks should be captured in the risk register
- Prepare early warning indicators to monitor critical aspects of the project
- When expressing risks articulate the cause, event and effect aspects

155

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Cause, Event, Effect Relationship



(Figure 8.4 Managing Successful Projects with PRINCE2® 2009 edition).

156

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Assess-Estimate

- The estimating step addresses the risks in terms of probability, impact and how quickly the risk is likely to materialize if no action is taken (proximity).
- Some risk estimating techniques include:
  - Probability trees
  - Expected value
  - Pareto analysis
  - Probability impact grid

157

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01

## Sample: Probability Impact Grid

Probability	0.9	Very high 71–90%	0.045	0.09	0.18	0.36	0.72
	0.7	High 51–70%	0.035	0.07	0.14	0.28	0.56
	0.5	Medium 31–50%	0.025	0.05	0.10	0.20	0.40
	0.3	Low 11–30%	0.015	0.03	0.06	0.12	0.24
	0.1	Very low up to 10%	0.005	0.01	0.02	0.04	0.08
			Very low	Low	Medium	High	Very high
			0.05	0.1	0.2	0.4	0.8
			Impact				

(Figure 8.5 Managing Successful Projects with PRINCE2® 2009 edition).

158

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited Masaryk University

BPH-BUPR-CS-2017-01



## Sample: Summary Risk Profile

Very high				1 3	
High	11				4
Medium		8		6	
Low		10		7	
Very low	9		2		5
Prob. Impact	Very low	Low	Medium	High	Very high

----- Risk tolerance line (Figure 8.6 Managing Successful Projects with PRINCE2® 2009 edition)

159

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Assess-Evaluate

- The evaluating step focuses on assessing the net affect of all risks identified when aggregated together
- Allows an assessment of the overall risk severity to the project
- Overall severity can be compared to the risk tolerance
- Risk models and expected monetary values are two risk evaluation techniques

160

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Sample: Expected Monetary Value

Risk ID	Likelihood (%)	Impact (£)	Expected value (£)
1	60	20,000	12,000
2	30	13,000	3,900
3	10	4,000	400
4	5	10,000	500
<b>Expected monetary value</b>			<b>16,800</b>

(Table 8.1 Managing Successful Projects with PRINCE2® 2009 edition).

- Risk ID 1 calculation:  $.6 \times 20,000 = 12,000$
- The EMV is 60% of the total impact value

161

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Plan

- The planning step ensures a proactive approach to dealing with risks
- It reduces the probability that the project will be unable to respond when identified risks materialise
- By identifying and evaluating response options to threats and opportunities, planning can ensure a balanced, value for money response to risks
- Responses are built into the appropriate level of plan, with a provision made for any fallback plans

162

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Responses

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

(Figure 8.7 Managing Successful Projects with PRINCE2® 2009 edition).

163

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Implement

- The implementation ensures that the risk responses are actioned, monitored for effectiveness and, when ineffective, corrective action is taken
- Clear roles and responsibilities must be assigned and documented in the risk register
- The individual assigned to manage, monitor and control a risk is the risk owner
- Risk owners are also responsible for implementing responses
- An individual assigned to carry out a risk response is called the risk actionee
- Risk actionees support and take direction from risk owners
- The risk owner and risk actionee can be the same person

164

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Communicate

- Communication is central to an effective risk management process
- Risk related information should be flow efficiently and effectively within the project and between external stakeholders and the project
- Methods for exchanging information must be clearly defined in the Communication Management Strategy
- Communication must be an ongoing and dynamic process
- Many management products may be used to communicate risk, however, these should be augmented with other methods

165

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Risk Budget

- Some projects set aside a sum of money in the project budget to fund specific responses to project risks
- Risk budgets are used over the course of the project as defined in the Risk Management Strategy
- The risk budget should take into consideration impact costs, response costs and the likelihood of risks occurring
- The budget should consider the known and include a provision for the unforeseen

166

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Responsibilities

Role	Responsibilities
Corporate or programme management	Provide the corporate risk management policy and risk management process guide (or similar documents).
Executive	Be accountable for all aspects of risk management and, in particular, ensure a project Risk Management Strategy exists. Ensure that risks associated with the Business Case are identified, assessed and controlled. Escalate risks to corporate or programme management as necessary.
Senior User	Ensure that risks to the users are identified, assessed and controlled (such as the impact on benefits, operational use and maintenance).
Senior Supplier	Ensure that risks relating to the supplier aspects are identified, assessed and controlled (such as the creation of the project's products).
Project Manager	Create the Risk Management Strategy. Create and maintain the Risk Register. Ensure that project risks are being identified, assessed and controlled throughout the project lifecycle.
Team Manager	Participate in the identification, assessment and control of risks.
Project Assurance	Review risk management practices to ensure that they are performed in line with the project's Risk Management Strategy.
Project Support	Assist the Project Manager in maintaining the project's Risk Register.

(Table 8.3 Managing Successful Projects with PRINCE2® 2009 edition).

167

Copyright © AXELOS Limited 2009. All rights reserved. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

## Homework

- Read the Czech Razorbacks case study in Appendix A of the Student Guide.
- Read pages 113 to 145 of Managing a Successful Project plus Appendices:
  - A.2, Business Case
  - A.7, Daily Log
  - A.14, Lessons Log
  - A.16, Plans
  - A.21, Project Product Description
  - A.19, Project Brief

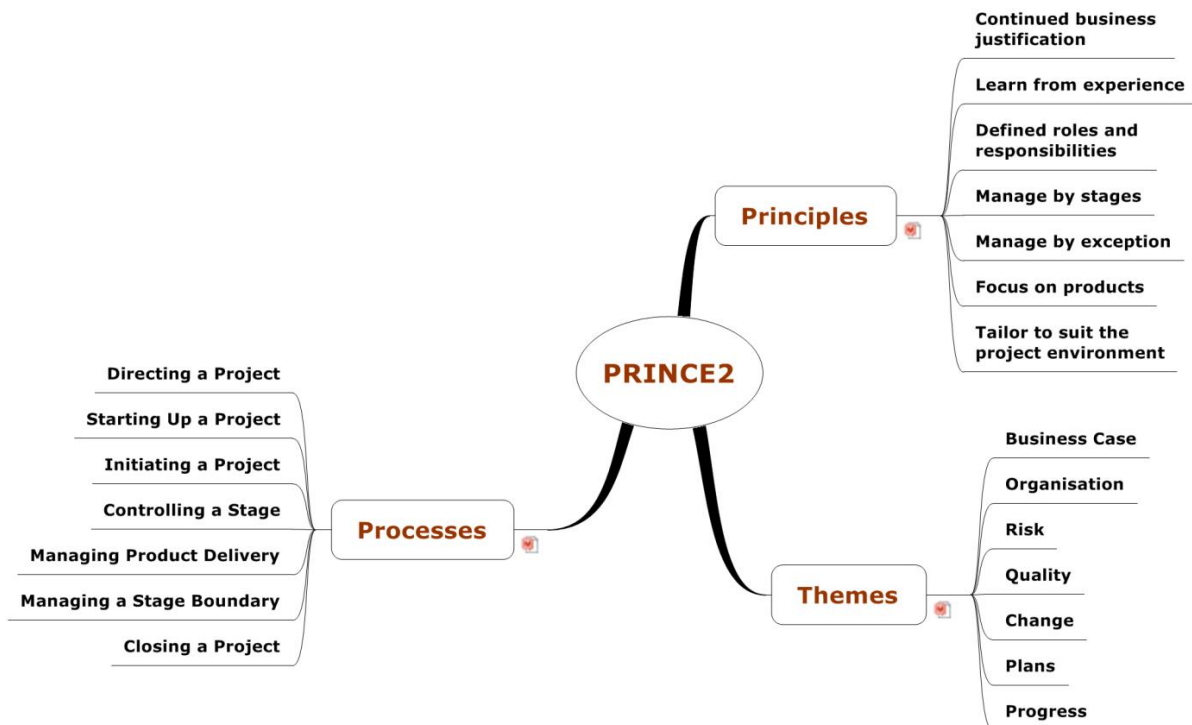
168

Based on AXELOS PRINCE2 material. Reproduced under licence from AXELOS Limited  
Masaryk University

BPH-BUPR-CS-2017-  
01

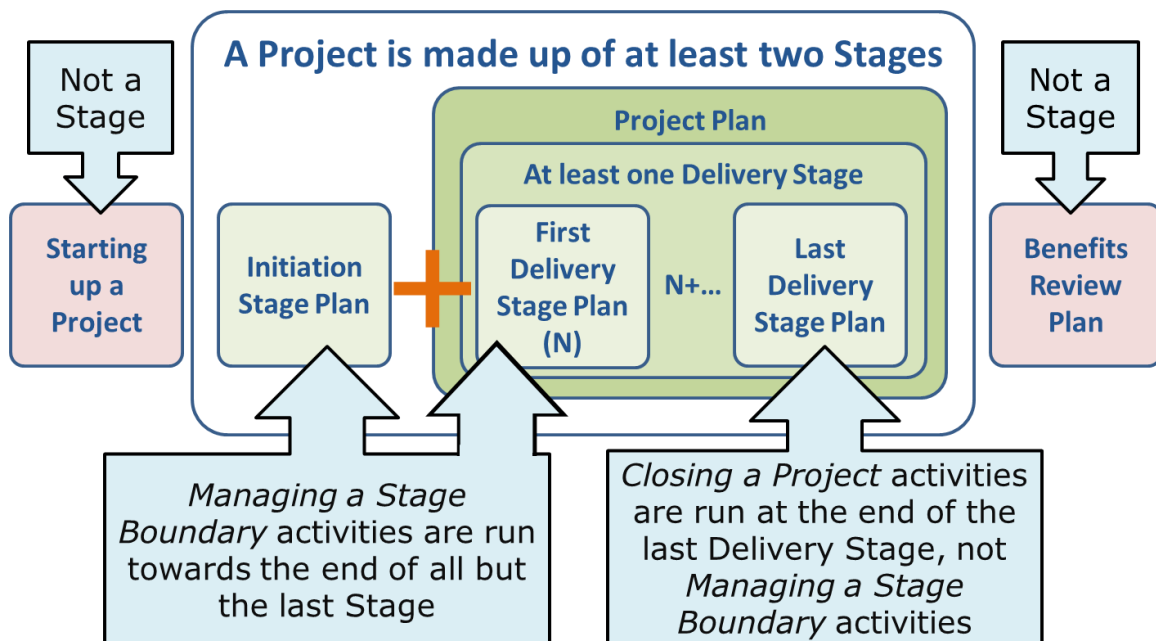
# Section VI - Visual Aids

## 1 PRINCE2 ELEMENTS



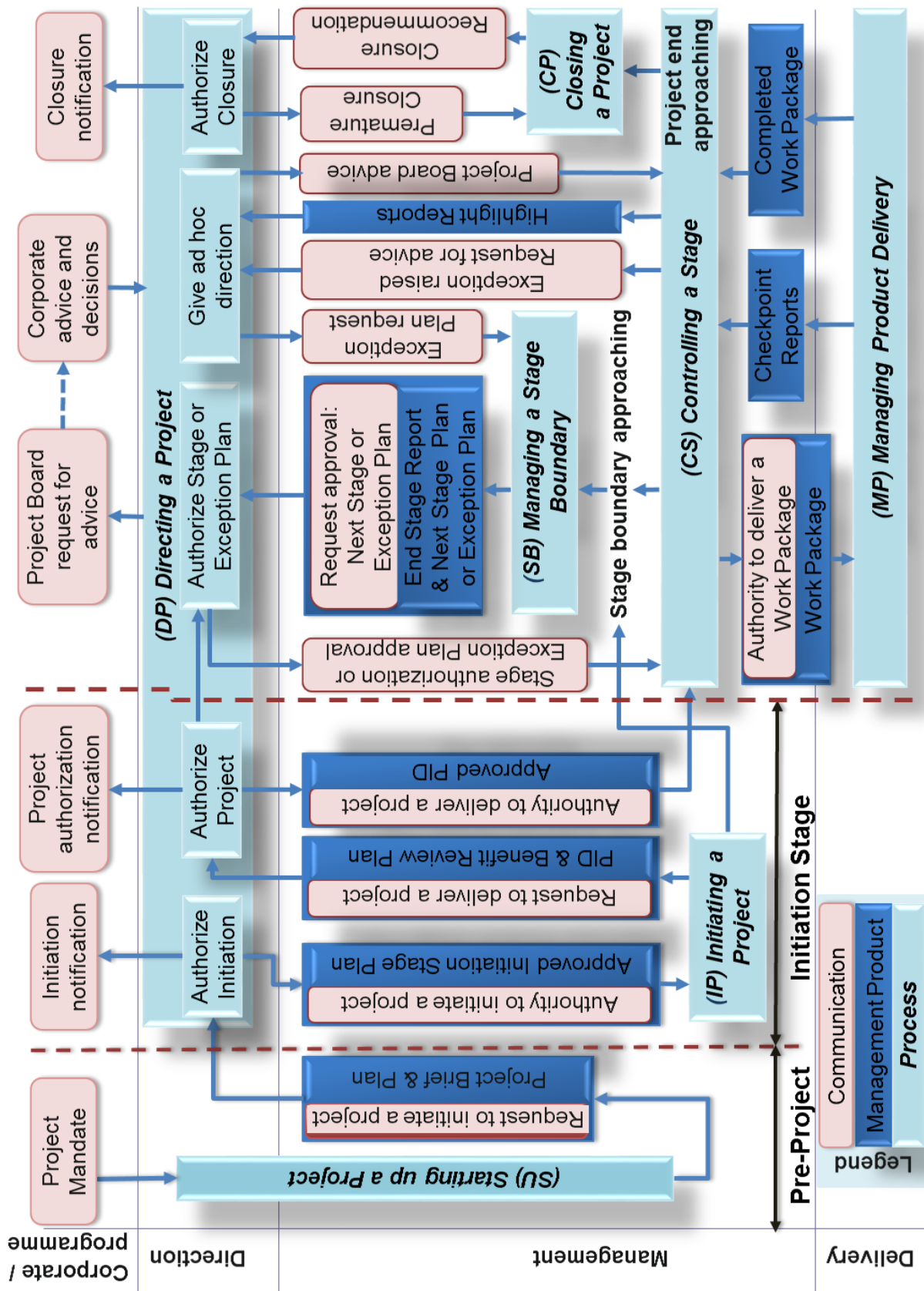
Based on AXELOS PRINCE2® material. Reproduced under licence from AXELOS Limited

## 2 PRINCE2 MANAGEMENT BY STAGES



Based on AXELOS PRINCE2® material. Reproduced under licence from AXELOS Limited

3 PRINCE2 LIFECYCLE



Based on AXELOS PRINCE2® material. Reproduced under licence from AXELOS Limited

## Appendix A - Case Study

---



### *Czech Razorbacks Hockey Club*

**Note:** The story, all names, characters, and incidents portrayed in this scenario are fictitious. No identification with actual persons, places, organisations, buildings, and products is intended or should be inferred.





## *Czech Razorbacks Hockey Club*

The Czech Razorbacks are a professional hockey team that play in the World Wide Hockey Association (WWHA). The team has existed for many years and has won the Global Hockey Cup four times. In recent years, the team has struggled to attract top talent and has suffered from the internet broadcasting of National League Hockey games. On-line sports broadcasting has eroded their fan base and substantially reduced merchandise sales. The current merchandise line-up has not been updated in 10 years and does not appeal to most fans or consumers. With annual revenues of 250.000.000 Kč, the team barely breaks even. Annual payments of 10.000.000 Kč to service the debt load and about 240.000.000 Kč in team operations, including 150.000.000 Kč in salaries, continually leave the team lacking in development funds.

A recent restructuring brought a seasoned hockey management professional to the Razorback organisation. Brian Bednařík recently became the third managing director in the team's history. He has been working hard to determine how the team could raise public awareness and at the same time increase profits in order to develop a more competitive team. After doing some basic research he has decided that a new merchandising strategy should be developed.

Two other options that he considered included:

- Running hockey camps for amateur hockey players using professional players as coaches to generate a larger fan base.
- Sourcing the clubs merchandise from China to drastically reduce costs and increasing the retail prices to create higher margins leading to a more profitable situation.

After consulting with various stakeholders within the organisation it was determined that neither of these latter options were optimal. Although running hockey camps might raise brand awareness, it may not result in substantial increases in merchandise sales. Sourcing the merchandise from China and raising prices was seen as having a potential positive impact on revenues, but the risk to an already fragile brand image of selling inferior quality merchandise at premium prices was seen as unacceptable. In deciding that a new merchandising strategy was the correct option, it was also agreed that merchandise quality was to remain high, should reflect a quality image for the team and, where possible, be sourced from Czech manufacturers. Suggestions that all t-shirts and hoodies should be 100% cotton and that T-shirts should be silkscreen while hoodies should be embroidered were also discussed.

It was also agreed that this new strategy needs to be developed using a project and Bednařík wishes the project to be run using the PRINCE2 method. To this end he has created a Project Mandate (attached at Appendix A) which he has had approved by the Vice-President of Media, Marketing & Sales, Věra Violetová who would have the responsibility of implementing the strategy once it was approved by the Project Board. Funding of the Project would also be her responsibility and would be taken from her budget.

One of the major issues that faces Bednařík and the use of PRINCE2 is that many in the organisation do not understand the methodology while others feel it is too bureaucratic. Past attempts to run projects using the method failed and cost overruns have occurred. Karina Horáková, the financial

controller, has been very outspoken on the topic and wants nothing to do with PRINCE2. She sees it as a complete waste of money and time and believes its only purpose is to generate revenue for the UK National Health Service.

The Project would be run in four stages:

**STAGE 1:** Brand recognition merchandise preference survey and conclusions.

The survey would collect demographic and geographic brand recognition data as well as data regarding WWHA preferences, team loyalty, consumer product preferences for Czech Razorback hockey merchandise, and pricing sensitivity by product.

**STAGE 2:** New Merchandise Product Specifications.

Once it has been determined what the new merchandising lineup should include and a pricing sensitivity model has been established, new merchandise specifications will be created and a comprehensive search for high potential suppliers will be undertaken. A list of possible vendors will be created.

**STAGE 3:** Supply and Distribution Chain Strategies.

Vendors from the list created in Stage 2 will be contacted and requested to submit volume pricing proposals and will be interviewed regarding a long-term supply relationship. Once the search is completed, a shortlist of vendors willing to partner with the team will be created along with their volume pricing proposals.

Based on the results from Stage 1 through 3 a comprehensive distribution chain analysis will be undertaken. Distribution chains will be analyzed for suitability based on the various research findings.

**STAGE 4:** Merchandise Strategy Creation.

Using all of the information and reports generated in all of the previous Stages, a new, comprehensive Merchandising Strategy will be compiled.

## Organisational Structure

<b>The Czech Razorbacks Organization</b>		
<p style="text-align: center;"><b>Executive Team</b></p> <p><b>Brian Bednařík</b> Managing Director  <b>Radek Bosý</b> Vice-President, Operations  <b>Věra Violetová</b> Vice-President, Media, Marketing &amp; Sales</p>	<p style="text-align: center;"><b>Executive Assistants</b></p> <p>Executive Assistant, Managing Director            Executive Assistant, Operations            Executive Assistant, Media, Marketing &amp; Sales</p>	
<b>Operations</b>		
<p><b>Hockey Operations</b></p> <p><b>David Kučera</b>, Manager, Player Personal</p> <p><b>Mikuláš Zádek</b>, Head Coach</p> <ul style="list-style-type: none"> <li>■ Coaching Staff (6)</li> <li>■ Athletic Trainer</li> <li>■ Team Doctor</li> <li>■ Talent Scouts (5)</li> </ul>	<p><b>Administration &amp; MIS</b></p> <p><b>Zdeňka Dvořáková</b>, Manager, Computer And Internet Services</p> <p><b>Natálie Svobodová</b>, Office Manager</p> <ul style="list-style-type: none"> <li>■ Office Coordinator</li> <li>■ Receptionist</li> <li>■ Computer Services Assistant</li> </ul>	<p><b>Finance</b></p> <p><b>Karina Horáková</b>, Controller</p> <ul style="list-style-type: none"> <li>■ Payroll Supervisor</li> <li>■ Senior Accountant</li> <li>■ Administrative Assistant</li> <li>■ Accounts Payable (2)</li> <li>■ Accounts Receivable (3)</li> </ul>
<b>Media, Marketing and Sales</b>		
<p><b>Media Relations</b></p> <p><b>Jitka Leedová</b>, Media Specialist</p> <ul style="list-style-type: none"> <li>■ Media Relations Assistant</li> </ul> <p><b>Broadcast</b></p> <p><b>Karel Heinz</b>, Broadcast Engineer</p> <ul style="list-style-type: none"> <li>■ Administrative Assistant</li> </ul>	<p><b>Sales &amp; Marketing</b></p> <p><b>Jiřina Nováková</b>, Director, Sales &amp; Marketing</p> <ul style="list-style-type: none"> <li>■ Ticket Sales Manager</li> <li>■ Admin. Assistants (2)</li> <li>■ Account Reps (7)</li> <li>■ Fan Development</li> </ul> <p><b>Lenka Procházková</b>, Merchandise Manager</p> <ul style="list-style-type: none"> <li>■ Retail Supervisor</li> </ul> <p><b>Josef Kreb</b>, Manager, Graphic Services</p> <ul style="list-style-type: none"> <li>■ Graphic Designer</li> <li>■ Graphics Coordinator</li> <li>■ Promotions Coordinator</li> </ul>	<p><b>Community Development</b></p> <p><b>Zdeněk Rusek</b>, Community Development Coordinator</p> <ul style="list-style-type: none"> <li>■ Assistant Community Development Coordinator</li> </ul>

### Personnel Profiles of Potential Project Personnel

#### **Brian Bednařík, Managing Director**

Brian Bednařík became the third managing director in the team's history on December 11, 2015. He has 25 years of achievements as a commercially astute Finance Director. He understands financial control, and his cross-functional experience brings breadth to Board level decision making. He is a multilingual communicator, whose team building, strategic vision, analysis and creativity have identified and solved complex problems. He is particularly known for his proactive application of change and risk management. Before joining the club, he served as the Vice-president of Finance for a number of NHL hockey clubs in the United States.

Bednařík joined the hockey team because of his love for Czech hockey and his desire to make the Czech Razorbacks the top European team in the league. He spends approximately 50% of his time in the office and the balance attending league functions, benefits, and promotional events. When in the office, he has no time to deal with daily operational tasks, leaving this to his Vice-president of Operations. Currently he is working hard to understand the organization and to develop a strategic plan focused on the next five years.

#### **Radek Bosý, Vice-President, Operations**

Radek Bosý is a young professional and was recently named as the Vice-president of Operations by Brian Bednařík. Bosý has a Masters in Sports Business Management and has a background in hockey operations at both the minor league and professional level. He has also worked in a variety of other positions within the world of hockey including merchandising, marketing, and facilities management. His experience has taught him that hard work always pays off and he knows he will need a strong work ethic to make it as the new Vice president of Operations. He is thrilled to be part of the Czech Razorbacks and dreams of one day becoming a NHL General Manager. He has excellent interpersonal skills and is a true team player and motivator.

Bosý looks forward to working on new projects for the team and wants to learn about PRINCE2.

#### **Věra Violetová, Vice-President, Media, Marketing & Sales**

Věra Violetová is a hands-on executive with over 20 years of progressive experience specializing in call centre management in the fashion industry. She joined the Razorbacks shortly before Bednařík. She was hired for her experience executing business strategies in start-up, high growth, turn-around, and established high volume contact call centre environments.

She has a keen focus on service and operational excellence and continual quality improvement to increase customer satisfaction and internal efficiency. Violetová has repeated success in partnering with cross-functional teams and personnel at varying levels within organizations to improve service levels, revenues, and profitability. She is in charge of the entire Media, Marketing, and Sales section of the organisation.

#### **Karel Heinz, Broadcast Engineer**

Karel Heinz has been with the organisation since day one. He started as a junior technician and has worked his way up to the Senior Broadcast Engineer position. He is in charge of all technical electronics aspects of the organisation. He is hard working, fast thinking, quick to learn and easily approachable. He has been responsible for ensuring that the organisation implements technology changes in a systematic and cost effective manner. In doing so he has proven to be an excellent problem solver and analytical thinker. He is a strong communicator who is able to give and receive instructions while also working well in a team approach. He is well respected within the organisation. Heinz reports to Věra Violetová, Vice-President, Media, Marketing & Sales.

#### **Jiřina Nováková, Director, Sales & Marketing**

Jiřina Nováková is a business leader with a proven track record of building high performing marketing teams and accelerating revenue growth. With a strong background in demand generation, she excels at building scalable integrated campaigns that leverage cutting edge marketing techniques. Although performance is at the core of who she is as a marketer, she believes businesses need to tell compelling stories and build a brand if they want to own a category. She reports directly to Věra Violetová, Vice-President, Media, Marketing & Sales.

#### **Lenka Procházková, Merchandise Manager**

Lenka Procházková started with the organisation as an intern working directly for the office manager, Natálie Svobodová. Procházková quickly learned how to oversee the document management and tracking system, memorized all the corporate operational procedures, and developed and implemented a full set of document templates incorporating the new visual identity guidelines. She has a Master degree from Masaryk University in economics and recently passed her PRINCE2 Foundation Exam. During her internship she impressed Věra Violetová, Vice-President, Media, Marketing & Sales and her new boss, Jiřina Nováková, Director, Sales & Marketing so much that they decided to create the Merchandise Manager position for her. She is a very meticulous individual who has a keen focus on quality.

#### **Natálie Svobodová, Office Manager**

Natálie Svobodová is an experienced office manager with over 20 years in general administration and customer service. She has a proven track record of managing teams and achieving excellent results in various Industries including commercial printing, contract marketing, consumer research, and industrial sales. She is excellent at engaging stakeholders at all levels of the organisation and the creation of cost effective solutions to support the achievement of the business targets.

Reporting directly to Radek Bosý, Vice-President, Operations, Svobodová is responsible for ensuring all administration processes are aligned to the company internal systems and are followed. She manages the day-to-day office duties including HR related matters, Health & Safety Compliance, adherence to the quality management process, and ensures all standard operating procedures are followed by each of the functional groups.

#### **Karina Horáková, Controller**

Karina Horáková has worked for the Czech Razorbacks for the past year and a half. Prior to starting with the organisation, Horáková worked for 12 years as a chartered accountant, where she witnessed many small and medium sized enterprises struggling to survive. She was hired by the previous Managing Director to streamline the organisation and implement austerity measures in an effort to stem the trend of annual losses. Horáková duties revolve around ensuring that the business is operating effectively and efficiently while also managing the Accounting Department and monitoring internal controls. She also oversees all procurement and supplier contracting functions. She is an excellent analyst and report writer with a focus on doing more with less. Horáková reports directly to Radek Bosý, Vice-President of Operations.



## Czech Razorbacks Hockey Club

**Project Mandate**  
CRMS-PMv01

### THE CZECH RAZORBACKS MERCHANDISING STRATEGY

#### PROJECT MANDATE

#### DOCUMENT HISTORY SECTION

This document is only valid on the day it was printed. The source document is under configuration control and can be viewed on-line through the Document Management System (CRDMS) in the Marketing and Sales section.

#### REFERENCES

- A. Consultant Background Report (Stored in CRDMS)
- B. Consultant Recommended Solution (Stored in CRDMS)

#### CHANGE SUMMARY SECTION

Revision Date	Summary of Changes	Version
29/12/2015	Original Version, Brian Bednařík, Managing Director	01

#### DOCUMENT APPROVAL SECTION

Name	Signature	Title	Date	Version
Vera Violetová	<i>V. Violetova</i>	Vice-President, Media, Marketing & Sales	05/02/2016	01

#### DOCUMENT DISTRIBUTION SECTION

Name	Title	Date	Version

Company Confidential and Proprietary Information. Internal Use Only  
Page 1 of 3

## *Czech Razorbacks Hockey Club*

CRMS-PMv01

### TABLE OF CONTENTS

<b>PROJECT OBJECTIVES AND SUMMARY .....</b>	<b>3</b>
<b>PROJECT BACKGROUND.....</b>	<b>3</b>
<b>PROPOSED BENEFITS.....</b>	<b>3</b>

## *Czech Razorbacks Hockey Club*

CRMS-PMv01

### **PROJECT OBJECTIVES AND SUMMARY**

This project will deliver a comprehensive merchandising strategy which includes five components: brand recognition statistics including demographic and geographic data, consumer product preferences for Czech Razorback hockey merchandise, pricing policies, a preferred supplier list, and a list of high potential distribution channels. This new strategy will be used by the Community Development Coordinator to raise awareness of the club, and the Merchandise Manager to generate additional revenues from targeted merchandise sales.

### **PROJECT BACKGROUND**

In recent years, the team has struggled to attract top talent and has suffered from the internet broadcasting of National League Hockey games as well as other on-line sports broadcasting which has eroded their fan base and substantially reduced merchandise sales. The current merchandise line-up has not been updated in 10 years and does not appeal to most fans or consumers. With annual revenues of 250.000.000 Kč, the team barely breaks even. Annual payments of 10.000.000 Kč to service the debt load and about 240.000.000 Kč in team operations, including 150.000.000 Kč in salaries, continually leave the team lacking in development funds.

### **PROPOSED BENEFITS**

The team will have a much better understanding of its total fan base and will know what types of merchandise it should sell and at what price. It will have a better understanding of the supply and distribution network through which it can purchase and sell the merchandise and will be able to better forecast annual sales. It is also believed that the new data will allow the Community Development Coordinator to target more outreach projects at underserved markets and new, more effective, advertising campaigns can be created based on the new demographic data. Through increased branding activities and tailored advertising, the Merchandise Manager hopes to generate an additional 25.500.000 Kč in net profit after tax.

### **ORGANISATIONAL CONSTRAINTS**

Given the current state of the organisation, a limited amount of funding and time can be allocated to this project. The maximum amount of money that can be set aside is between 5.000.000 and 5.500.000 Kč. The project needs to deliver the Merchandising Strategy within 6 to 7 months while ensuring that the strategy can be implemented. Risks need to be kept to a minimum as the team cannot afford to take on any more financial burden. Risks need to be mitigated to the fullest extent possible. If the expected aggregated monetary risk value exceeds 10% of the budget, the project needs to be re-evaluated.



## Appendix B - Exam Guidance

---

# PRINCE2® FOUNDATION EXAMINATION CANDIDATE GUIDANCE

---

## 1 INTRODUCTION

- 1.1 The objective of the examination is to enable you to demonstrate an understanding of the PRINCE2 principles, processes, themes, techniques and roles. The Foundation examination uses objective test questions, which require you to choose a response to a question from a set of choices, for which the correct answer is predetermined.
- 1.2 The following paragraphs explain the format of the question papers, and the different styles of question asked. There are also some suggestions on how to approach answering the various styles of question.

## 2 STRUCTURE OF THE PAPER

The examination paper consists of:

- 2.1 A Question Booklet, which contains 75 questions - 70 examination questions and 5 trial questions. Each question covers a different syllabus topic. Each question is worth 1 mark, but the trial questions are not scored. The use of trial questions enables new questions to be trialled without affecting candidates' marks. The pass mark is 35. You are expected to answer all questions. There will be no indication of which questions are examination questions and which are trial.
- 2.2 The Answer Sheet on which your answers must be given. There will only ever be **one answer** to each question. If more than one answer is given in the answer sheet the response line will be void and will attract no marks. Marks are not subtracted for incorrect answers.

## 3 PRINCE2 SYLLABUS AREAS ADDRESSED

The examination consists of 75 questions in total, which cover all 15 areas of the PRINCE2 Foundation syllabus. The full PRINCE2 syllabus is available from the APM Group or from your Accredited Training Organisation.

## 4 STYLES OF QUESTION

There are a number of different test styles used within the paper. All test styles are based on the selection of the correct answer from a choice of 4 options.

The test styles are:

### 4.1 Standard

Which individual role is ultimately accountable for the project?

- a) Executive
- b) Project Manager
- c) Senior Supplier
- d) Senior User

#### 4.2 **Negative**

Which is **NOT** one of the key elements to balance when defining management stages?

- a) The availability of the Project Board
- b) How far ahead in the project it is sensible to plan
- c) The amount of risk within a project
- d) How confident the Project Board and Project Manager are in proceeding

#### 4.3 **Missing Word**

Identify the missing words in the following sentence.

The reasons for undertaking the project must drive the [ ? ] and should be used to continually align the project progress to the business objectives.

- a) delivery strategy
- b) decision making
- c) benefits management strategy
- d) tolerance approach

#### 4.4 **List**

When reviewing the status of a Work Package, what does the Project Manager look at?

- 1. Checkpoint Reports
  - 2. Business Case
  - 3. Quality Register
  - 4. Team Plans
- 
- a) 1, 2, 3
  - b) 1, 2, 4
  - c) 1, 3, 4
  - d) 2, 3, 4

### **5 EDITORIAL NOTES**

5.1 Throughout the examination, title case has been used for all references to PRINCE2 themes, processes, defined management products and proper nouns

#### 5.2 **Uses of “should” and “must”**

**“should”** - is used to express “obligation”: something that is good or important or recommended. It is less strong than must and is used to test whether something should occur because it is consistent with the principles and recommended practices of PRINCE2.

**“must”** is used when talking about something that is “necessary” or “has” to occur, i.e. something that is mandatory.

## 6 **TIME MANAGEMENT**

The examination is 60 minutes in duration. You must manage your time in order to complete all questions. All 75 questions should be attempted. If you wish to write your answers on the question paper first, you must be aware of the additional time needed to complete the answer sheet. Only answers submitted on the answer sheet provided will contribute to the result.

**No support material** is permitted. This is a closed book examination.

## 7 **USING THE ANSWER BOOKLET**



7.1 The Answer Booklet will be read electronically and the results generated by computer. It is therefore essential that you follow the instructions given and mark your answers accordingly. Failure to do so may lead to delay and, in some cases, answers being void.

7.2 Select your answer by filling in the 'oval' that relates to your chosen response, e.g.

	A	B	C	D
1	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
2	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>
4	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>

7.3 Fill the oval in **IN PENCIL, NOT PEN**. If a pen is used, the answers will not be marked.

Acceptable ways to complete the answer sheets are either:

 completely filling in the oval or  drawing a line through the centre of the oval, ensuring between 80-100% is filled.

Any other method, including ticks or crosses, is not acceptable and may not be marked.

7.4 If you wish to change your answer during the examination, completely erase your original answer and mark your new answer. If there is more than one oval marked for an answer, the question will score zero.

# Appendix C - Business Benefits Paper

# PRINCE2<sup>®</sup> Business Benefits

Dr. Ian Clarkson, QA

---

[AXELOS.com](http://AXELOS.com)

© The Stationery Office 2010

# Contents

1	Introduction	3
2	What is PRINCE2?	3
3	'PRINCE2 Business Benefit' – A Definition	5
4	What's all the Fuss About? The Need for Project Management	5
5	What's in it for 'ME'? The PRINCE2 Business Benefits	6
6	How Hard Can It Be? How to Embed PRINCE2 in Your Organization	10
7	Conclusions	12
8	References and Further Reading	13
	About the author	14
	Acknowledgments	14
	Trade marks and statements	14

# 1 Introduction

As the pace, amount and complexity of change continues to increase, transforming operations so as to achieve a beneficial future state whilst maintaining 'business-as-usual' remains the crucial challenge for organizations. This challenge creates a natural tension which, in most cases, always requires more time and money to manage than anticipated.

Projects provide the means by which organizations can transform their business operations. Project management, therefore, is the mechanism by which this transformation process is managed.

This white paper discusses the business benefits that organizations can attain by adopting a structured, controlled, repeatable and robust project management method. The particular project management method 'under the spotlight' in this white paper is PRINCE2®.

The content of this white paper is structured as follows. Section 2 discusses what PRINCE2 is and its place within the global project management industry, whereas Section 3 defines exactly what is termed 'PRINCE2 Business Benefits'. Section 4 'makes the case' as to why formal project management (and, indeed, a structured approach) is needed with Section 5 exploring the business benefits of adopting PRINCE2 from the perspectives of 1) the commercial sector, 2) the public sector, 3) the voluntary (or 'third') sector and 4) the individual. Section 6 provides some practical advice as to how organizations can adopt PRINCE2 and 'exploit' the business benefits of using this method, with Section 7 wrapping up the paper's findings. Finally, Section 8 lists the referenced publications and provides recommendations for additional reading.

Of course, it is recommended that this white paper is read in full but for those readers already familiar with PRINCE2, Section 2 can be skipped. Similarly, if you are already a project management advocate, Section 4 can be omitted. But keep an open mind - who knows, you may learn something new about a topic you thought you knew all about!

## 2 What is PRINCE2?

This section does not go into a detailed treatise as to what PRINCE2 is - there is plenty of literature around to describe exactly what PRINCE2 is - and so the reader is referred to the following sources: the full PRINCE2 method consists of two volumes, the first volume, [1], is aimed at people involved in running projects and support roles, and the second volume, [2], is primarily for people who sponsor or direct projects. Of, course I am not saying that people who sponsor or direct projects are excluded from reading the first volume (and vice versa) – indeed, I advocate the very opposite; that is, *all* personnel involved in projects (irrespective of their roles) should be familiar with *all* parts of the PRINCE method.

So, what is PRINCE2? PRojects IN Controlled Environments (PRINCE2) is a generic and structured project management method based on a wealth of experience drawn from thousands of projects undertaken in organizations around the world. Input into the method has come from many stakeholders (project managers, sponsors, project teams, industry leading experts, lecturers and consultants) and the final publication has gone through a rigorous review process to ensure it fully meets the needs of the project management community.

PRINCE2 is a method; a framework; an umbrella under which project management can be undertaken with efficacy. PRINCE2 provides guidance on *what* to do (in order to run a project) and *why* it should be done this way, but draws the line at prescribing *how* to do it. PRINCE2 is about *managing projects not about doing the work* and this is a subtle difference that must be appreciated fully to understand and implement PRINCE2. If PRINCE2 concerned itself with *doing* then it would cease to be generic and lose some (or, indeed, all) of its efficacy.



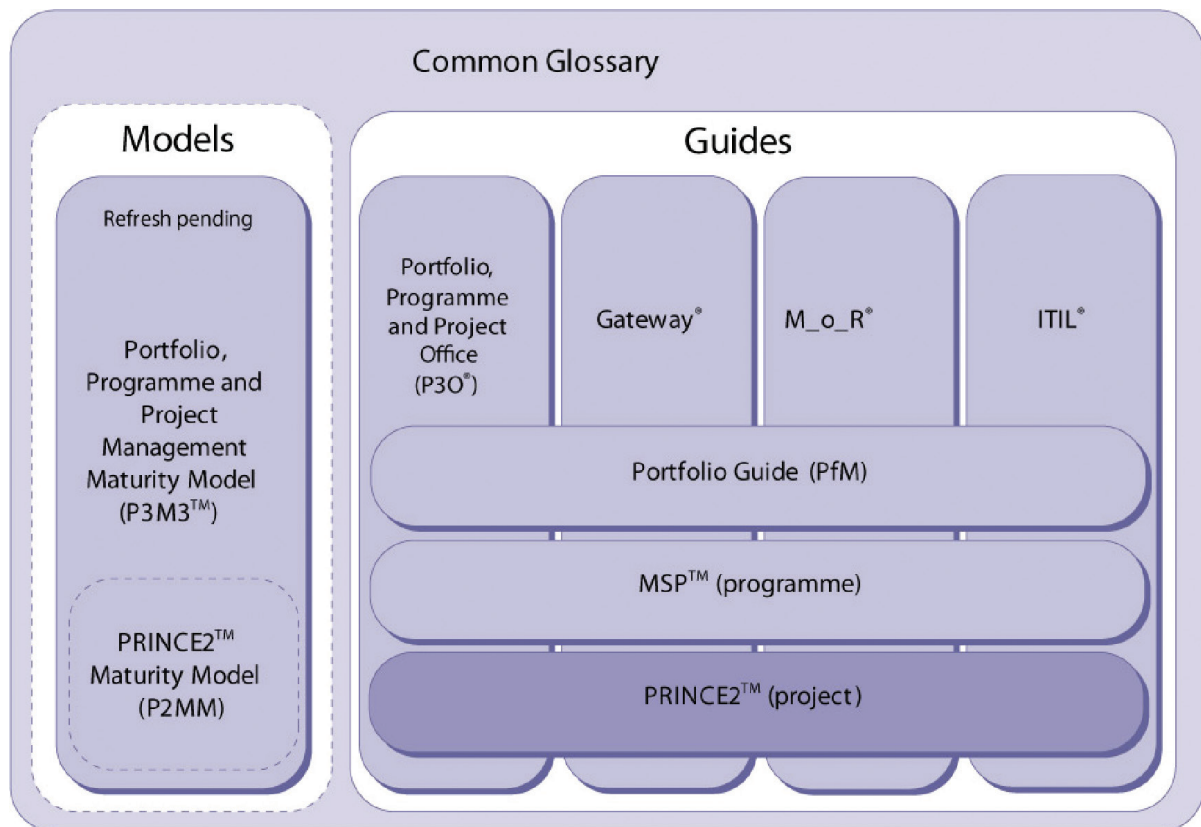


Figure 1: UK Office of Government Commerce 'Best Practice' Portfolio of Products

PRINCE2 is the 'best practice' project management method, published (on behalf of the UK Office of Government Commerce) by TSO (The Stationery Office). PRINCE2 is part of a portfolio of 'best practice' guidance produced by the UK Office of Government Commerce aimed at helping organizations and individuals manage their business change initiatives, the others covering programme management (Managing Successful Programmes - MSP® [3]), risk management (Management of Risk – M\_o\_R®, [4]), corporate support functions (Portfolio, Programme and Project Offices – P3O®, [5]), Portfolio Management ([6]), review process (Gateway®, [7]) and service management (ITIL®, [8]). Further models to assess organizational capacity to deliver business change (maturity models) are also published by the UK Office of Government Commerce: PRINCE2® Maturity Model (P2MM, [9]) and Portfolio, Programme and Project Management Maturity Model (P3M3®, [10]). Figure 1 on the previous page is a diagram of the structure of the 'best practice' portfolio of products.

Accompanying these guides, where appropriate, is a professional certification scheme. For PRINCE2 the qualifications are: PRINCE2 Foundation and PRINCE2 Practitioner.

PRINCE2 is truly an international standard. Although originating in the UK, its appeal and, indeed, business benefit is recognised globally. There are PRINCE2 qualifications being taken in all continents and the PRINCE2 method [1] and [2], and PRINCE2 examinations have been translated into numerous languages: French, German, Danish, Polish, Italian, Spanish, Dutch and Chinese.

Additional information and resources are available from the following websites [11] and [12]. The first reference, PRINCE2 Best Management Practice, is the official umbrella website providing support for all levels of adoption of PRINCE2 (and, indeed, all of the best practice products) and is dedicated to making access to the guidance quick and easy. The second URL, PRINCE2 Official Site, is another excellent website for PRINCE2 resources.

### 3 ‘PRINCE2 Business Benefit’ – A Definition

As this white paper is entitled ‘PRINCE2 Business Benefits’, let’s define what we mean by the term ‘business benefit’ and, therefore, what this white paper will, subsequently, focus its attention on.

According to [13], a benefit is defined as: ‘*n.* something that improves or promotes’, whereas [1], page 19, defines a benefit as ‘the measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders’. The clear message here, unsurprisingly, is that for something to be seen as a benefit it has to result in some kind of *improvement*. Just exactly what *kind* of improvement makes the ‘measurable’ part of the definition the most important *parameter* to consider, and this aspect will be looked at in more detail in Section 5.

I have not overlooked the fact that the second definition of a benefit (i.e. from [1]) references the term ‘outcome’ and so, naturally, any benefit claimed depends on what outcome(s) the organization originally *wanted* to achieve. Indeed [13] defines an outcome to be ‘*n.* something that follows from an action or situation; result; consequence.’ When it comes to what outcome(s) organizations want to achieve from adopting PRINCE2 - and that is what I am really talking about when I say ‘PRINCE2 Business Benefits’ (see definition at the end of this section) – up there somewhere near the top of the list (if not at the top) must be: ‘improved business performance’. However, ‘improved business performance’ is a generic term that means different things to different industry sectors and, therefore, requires further investigation. Section 5 covers this.

Interestingly, in the definition of outcome, the term ‘consequence’ has negative connotations (as well as positive ones) and looking at it from this perspective, an outcome will still be achieved (albeit, perhaps, undesirable or not what was anticipated) as a result of any inaction or failure to exploit the action/situation fully.

The above definition of outcome also mentions the phrase ‘something that follows from an action’ - implying that the manifestation of the outcome occurs *after/later on* from when the action or situation occurred. Thus, when our actions are completed we can only *hope* that they will result in the improvements that we desire (or, in the case of inaction/failure to fully exploit, any predicted undesirable consequences will not manifest).

Therefore, I propose the following corollary for the phrase ‘PRINCE2 Business Benefits’: any improvements will only fully manifest if PRINCE2 is *embedded* within an organization.

If you accept this corollary (or even if you don’t!) from this point forward the phrase ‘PRINCE2 Business Benefit’ is defined to be:

*‘The measurable improvement in business performance resulting from the adoption and consistent use of PRINCE2 across all parts of an organization’.*

Section 6 provides some guidance on how to embed PRINCE2 within an organization.

### 4 What’s all the Fuss About? The Need for Project Management

So far I have talked about what PRINCE2 is and what the term ‘PRINCE2 Business Benefit’ actually means, but *why* do we actually *need* project management in the first place? Isn’t project management just another term for ‘formalised common sense’?

So, where did it all begin? [14], Chapter 2, pages 33 – 85, provide a fascinating insight into the origins, evolution and growth of project management. Furthermore, this same publication describes a number of project management concepts that are accepted as industry standard in today’s ‘modern project management’ world.

But what of PRINCE2? Where did it stem from? For those of you who can remember PROMPT (Project Resource Organization Management Planning Technique) from the mid-1970s (or even if you can’t), one component of this was PROMPT II which was concerned with systems development. In 1983, the CCTA (Central Computer and Telecommunications Agency) – who eventually became the UK Office of Government Commerce – developed and introduced ‘Government PROMPT’ into UK Government

departments. Towards the end of the 1980s – 1987 to be exact – the CCTA updated the method and renamed it PRINCE (PProjects IN Controlled Environments) which was formally launched in 1990. Subsequent developments lead to PRINCE2 being launched in 1996 with major revisions of PRINCE2 in 2005 and 2009.

So now we know the history of project management and PRINCE2, but this still does not answer the question posed earlier of: is there a *need* for project management? Let alone a structured method. Well, yes, there is a need for project management and there is *certainly* a need for a structured project management process.

Take a moment to think if you have ever managed a project. Whether employed as a project manager at work or not, I guarantee you have all managed projects at some point. Have you ever had a conservatory erected in your garden? Or had an extension to your house? Or bought a car or house? Or redecorated your home? Or organised an event of some sort? Sound familiar? Well, all these are projects and all have required management in order for you to realize *your* own 'business benefits'. On one memorable PRINCE2 event, a delegate challenged me by asking if buying a banana (or, indeed, any piece of fruit for that matter) was a project and if I realised *my* business benefit. I'll leave you to draw your own answer to this question!

I am not saying you sat down and for each project you wrote a full 'Project Initiation Document (PID)' – the PRINCE2 term for the piece of information (see [1], page 254) 'that defines the project, in order to form the basis for its management and assessment of its overall success'. However, I am willing to bet that you certainly knew *why* you were undertaking the projects, *what* it was you were doing, *who* was doing the work, *when* it had to be done by, how it was being done, *how much* it was going to cost, and I also bet that you kept an eye on it. If so, you had a PID (of sorts) and you were performing the role of a project manager.

Now recall your experiences of doing any such projects. Maybe you experienced a few 'hiccups' along the way? Perhaps some things cropped up that you didn't expect? Things not quite done to the standards you expected? Ended up spending more than originally intended? Or maybe I am being too cynical and everything went 'according to plan'? Be honest with me, would you have benefited from knowing a bit more about how to manage these projects properly? Maybe a few guidelines based on other peoples' experiences as to what to do and what not to do? I'm sure we all would! If so, you are admitting to needing some form of a process for undertaking effective project management.

Now scale up to projects in your own organizations. Maybe the size of the projects are bigger, perhaps more politically important, even part of a programme, but the problems on these projects are fundamentally the same as above - formalising to project management terminology, respectively: risk/issue management, quality management, budgeting and cost control. With all that in mind, how many of these have you experienced in your organization? In which case, are you admitting to your organization needing a process for undertaking project management?

Given the discussion above, I will state that *effective* project management is not just formalised common sense – if it was, then could it be argued that some of the problems we have all encountered should not have occurred in the first place? It's not a (organizational) weakness to admit we may need a little help sometimes to ensure our projects go smoothly.

As the 'PID' discussion in previous paragraphs highlighted, the degree of management 'rigour' applied to projects will differ. So we must not make the mistake that 'one size fits all' when it comes to *applying* a process to managing projects. But we can confidently claim that what you *need* to do to manage projects is fundamentally the same – e.g. establish the business need, define the scope, manage risks, agree quality requirements, set-up effective project controls etc – you just need to decide *to what extent* all of this should be applied on your projects.

## 5 What's in it for 'ME'? The PRINCE2 Business Benefits

And so to the title of this white paper: 'PRINCE2 Business Benefits'. The previous section discussed what the 'fuss' is all about when it comes to project management and touched on the obvious business

benefit: 'better delivery of projects'. In Section 3 we defined what the term PRINCE2 Business Benefit means. So, how does 'better delivery of projects (through the consistent use of PRINCE2)' relate to 'measurable improvement in business performance'?

A good question! And one that is multi-layered and, therefore, requires a multi-layered answer. We cannot address this question by treating all organizations the same – different organizations have different 'drivers for change' with projects undertaken for a whole host of different reasons. What we can do, however, is look at the problem from a number of perspectives. So, the 'ME' in 'What's in it for ME?' refers to:

- an organization in the commercial sector
- an organization in the public sector,
- and organization in the voluntary (or 'third') sector and
- an individual.

Whatever the organization in whatever industry sector, are we really just saying that the business benefit of PRINCE2 is being able to deliver projects on time, to cost, to quality? Is this all it really 'boils down to'? In part, yes, but the implications of this mean different things depending on what sector you operate in.

## 5.1 A COMMERCIAL ORGANIZATION

For commercial organizations projects represent the means by which new products are brought to market. What these new products are, how are they developed, marketed and launched all manifest through projects, and organizations that can undertake better project delivery may be able to reduce time-to-market and create a competitive advantage resulting from early (or first) introduction. What does all this mean in truth? Increased market share and increased profitability – a commercial organizations' measurable improvement in business performance?

Another way to look at this same point is if we consider corporate reputation and perception in the market place – which are integral to a commercial organizations' success. Can corporate reputations and consumer perception be enhanced (and, therefore, maybe market share/profitability) as a result of better project delivery through consistent use of PRINCE2? Let me state my case as to why I consider the answer to be 'yes'. Imagine that you are developing a new product and through poor project delivery (including poor quality control) the product is launched with defects. As a result, you have to recall all units from consumers. They could (and probably will) be very costly to replace, but what about the effect on your corporate reputation? How do consumers now perceive you in the market place? How do you measure any financial 'loss of reputation'? I'm sure we can think of situations where we have seen or experienced this happening. Better project delivery may mean that these issues (or similar) will not arise in the first place, and may even result in a superior product being launched. The measurable improvement in business performance may not (initially) manifest in terms of increased market share/profitability, more in terms of 'protecting' current corporate reputation/consumer perception. Invaluable in its own right!

Commercial organizations are, of course, not just concerned with introducing new products to increase market share and profitability. Some projects may be to implement new/updated processes to streamline the business (i.e. reducing costs), improve quality of existing products, implementing quality initiatives within the organization (e.g. alignment of business processes to ISO standards or setting up of continuous professional development (CPD) schemes for employees) or undertaking 'green/social responsibility' projects (initiatives such as reducing waste, reducing carbon footprints, ethical trading etc). Better project delivery is still required to ensure the projects deliver the capability expected (whatever the context of that capability).

Of course, as discussed in Section 4, projects don't always go smoothly. Cost overruns are commonplace on lots of projects and additional budget may have to be found to fund the remainder of the project (if still deemed an organizational priority). The question is, where does this additional budget come from? It could come from contingency funds for just such events (as is very common) or from other sources – for example, private finance or some projects in the corporate portfolio closed to release resources for other uses. Either way, the remedial actions to compensate for cost overruns could mean that resources may

no longer be utilised for their original purpose or less resources are physically available. This could have the further consequence of the organization (possibly) not being able to undertake its full portfolio of projects and, hence, not achieving all of its corporate/strategic goals. Depending on the nature of the organizations' business this could be commercially damaging.

Often, commercial organizations will tender for work with other organizations (typically public sector ones). Frequently respondents have to demonstrate *how* they will engage and manage the work, should they be successful. What is their track record in delivering similar projects of this nature? All of this relies on project management. As PRINCE2 is the 'best practice' project management method, organizations that have adopted and consistently used PRINCE2 (i.e. have a track record) may find themselves at an advantage in the tender process as PRINCE2 is a known quantity, is generic, has a common language that crosses industry sectors - so project personnel can engage and communicate more effectively – and is 'tried and tested'. In short, for a lot of commissioning organizations (especially public sector ones) it may be less *risk* to work with a supplier organization that has a track record in successfully using PRINCE2 to run projects.

## 5.2 A PUBLIC SECTOR ORGANIZATION

---

Unlike a commercial organization, public sector bodies (for example, central government, local authorities, health organizations, police etc) are not concerned with market share and profitability. So what does 'measurable improvement in business performance' mean for a public sector organization?

Measurable improvement in business performance in this context refers (in the main) to public service transformation and/or improvement. Of course the type of 'green/social responsibility' initiatives and quality projects discussed above as considerations for commercial organizations have the same (if not greater) significance for public sector bodies, as projects in this sector will have a direct influence on the users of public services (i.e. us).

The discussion in Section 5.1 of poor project delivery meaning resources may not be used for their original purpose, of course, holds true in the public sector. The notable difference being, however, that not achieving corporate/strategic targets may have more of a consequence *for each and every one of us* - as we are *all* users of public services of some form - public services may not get transformed or improved to the same degree as originally intended.

At the very least, the PRINCE2 Business Benefits can manifest themselves in the form of meeting legislative requirements. Whilst it is not feasible to list all the legislation that adoption and consistent use of PRINCE2 could contribute to, a key piece of legislation that affected public sector organizations was the 'Gershon Review' ([15]) which stated "...efficiency gains of over £20 billion in 2007-08 across the public sector have been identified and agreed". If public sector organizations achieved better project delivery through the consistent use of PRINCE2, then this would mean that (as discussed above) public sector bodies may achieve their corporate/strategic targets more effectively and efficiently – hence contributing to their 'Gershon' efficiency targets. Even though the timescale of the legislation has now expired, the public sector still strives for efficiency gains.

When commenting on the potential loss of corporate reputation resulting from poor project delivery, this argument also applies to a public sector body. Although public sector bodies may not be measuring the financial consequences of consumer perception, local and central government in particular are very concerned with public opinions on their services. So, could the implications of poor project delivery manifest through negative opinion polls? Better project delivery (through the consistent use of PRINCE2) may (like for a commercial organization) 'protect' existing/current opinions (or maybe even enhance them).

Through the adoption and consistent use of PRINCE2, enabling better project delivery and measurable improvement in business performance, it may be the case that a project management 'Centre of Excellence' is established. P30® ([5]) was mentioned in Section 2 (and will be mentioned again in Section 6) and is, in essence, what I am referring to when I say establishing a 'Centre of Excellence'. This will allow project (and programme and portfolio management, for that matter) to mature and embed within the organization - resulting in further improvement in business performance.

### 5.3 A VOLUNTARY (OR 'THIRD') SECTOR ORGANIZATION

---

This type of organization is similar to that of a public sector one in that their primary concern is not market share or profitability. Therefore, the propositions relating to the PRINCE2 Business Benefits for the public sector are also applicable to this sector.

The type of organizations I am referring to in this sector are for example, charities, humanitarian agencies and not-for-profit organizations.

In the public sector discussion it was highlighted that the opportunity cost of poor project delivery can have a significant effect on the users of their services, but when relating to the voluntary sector the users are recipients of some form of aid. In which case, the opportunity cost of poor project delivery is even greater as project managers in this sector often have responsibility for life affecting and life-saving projects.

As discussed in Section 2, PRINCE2 is an international standard. It is often the case (maybe more often than not) that charities and humanitarian agencies will be running projects that cross not only industry boundaries but also geographical ones. As PRINCE2 is generic, has standard terminology and is teachable and repeatable, agencies co-ordinating projects across continents will be able to increase the chances of successful project delivery through this commonality of approach. In a recent press release, [16], Eric Berg - the Chief Executive Officer of LINGOs (Learning for International Non-Government Organizations - a consortium of over forty international humanitarian relief, development, conservation and health organizations that share learning resources and experiences) - stated that a one-percent improvement in the effectiveness of twelve well known Non-Governmental Organizations would yield an additional \$47 million to spend on projects each year. Eric Berg went on to say that the impact in terms of quality improvement would be even higher.

Let's just think about this for a moment. Not only is this figure of \$47 million staggering in itself, but even greater effectiveness would yield even more funds for additional projects. The nature and portfolio of projects that could be undertaken with these additional funds, and the impact they could have on human lives, is humbling.

So here we have, perhaps, the most direct 'measurable improvement in business improvement' that would result from better project delivery. Adoption and consistent use of PRINCE2 will contribute to this.

### 5.4 AN INDIVIDUAL

---

How does the definition of the PRINCE2 Business Benefits (from Section 3) apply to an individual? What does 'measurable improvement in business performance' mean from a personal perspective? How can an individual 'adopt and consistently use PRINCE2'?

Well, the definition still holds, except that we are talking now about an individuals' *competency* to run projects *consistently* in accordance with the PRINCE2 method. So how does an individual attain this competency? Personal experience cannot (and should not) be ignored – neither should the benefit of holding a PRINCE2 qualification. The ideal set of PRINCE2 competencies would be a product of PRINCE2 experience and a PRINCE2 professional qualification. In other words:

**PRINCE2 Competence = PRINCE2 Experience x PRINCE2 Qualification**

Holding a PRINCE2 qualification will result in recognition (from the project management industry) that an individual has achieved a level of knowledge in the subject in accordance with the certification standards. As mentioned already, PRINCE2 has been translated into numerous languages and, therefore, is truly an international standard. Let's acknowledge and be upfront by recognizing that PRINCE2 qualifications are highly regarded by employers (for the reasons stated above) and look impressive on an individual's CV. However, the equation above implies that holding a qualification does not automatically give an individual the right to claim PRINCE2 Competence – i.e. a 'measurable improvement in their business performance'.

PRINCE2 training is available globally through Accredited Training Organizations (ATOs) who offer a wide range of courses leading to attainment of professional certification; namely, PRINCE2 Foundation and PRINCE2 Practitioner. More information on organizations who offer accredited PRINCE2 examinations,

or how to become an ATO, can be found through the APM Group – [www.apmgroup.co.uk](http://www.apmgroup.co.uk), +44 (0)1494 452450. Details of specific PRINCE2 training events can be found by contacting the individual ATOs directly.

In essence, adopting and consistently using PRINCE2 to run projects is good risk management. As PRINCE2 crosses industry boundaries, all concerned know what to expect, accredited training and consultancy is available, knowledge can be shared and disseminated and extensive resources are available for people to use. All resulting (if we do it right – see Section 6) in measurable improvement in business performance – i.e. realizing their PRINCE2 Business Benefits.

Having looked at each of the perspectives of 1) a commercial organization, 2) an organization in the public sector, 3) an organization in the voluntary (or ‘third’) sector and 4) an individual, one thing is common to them all: that improvement in business performance will be maximised *if organizations can increase capacity and capability in PRINCE2*. An often understated PRINCE2 Business Benefit is that if organizations are adopting and consistently using PRINCE2 ‘across the board’, it may be that project management is regarded within that organization as a dedicated career path (and so it should be, in my humble opinion!). The knock on effect could be that opportunities may present themselves for individuals to further their careers in project management, to increase their knowledge, to mentor new project managers, to share their knowledge and experiences, to shape project management policy (and why not programme management and more?) and even set up a P30. All of this may, in turn, result in (additional) stability of project management resources which organizations can build upon to realize their PRINCE2 Business Benefits further.

This stability will only be achieved, however, through the adoption and consistent use of PRINCE2 across an organization (i.e. *embedding* PRINCE2 in your organization). So, let’s turn our attention to how to do this.

## 6 How Hard Can It Be? How to Embed PRINCE2 in Your Organization

It’s not as straightforward as you might expect. That is not meant to be a negative statement, more saying let’s go into this with our eyes open. The previous section described the business benefits that organizations could achieve through adopting PRINCE2, but these benefits will not be realized by simply implementing a project management method in isolation from the rest of the company.

There is a fascinating book called *Outliers: The Story of Success* ([17]) by one of my favourite authors, Malcolm Gladwell, in which he makes a compelling case that individual success is not just about talent and hard work (although talent and hard work cannot be ignored), but as much about opportunity and something the author describes as ‘cultural legacy’; that is, the people we interact with and their values have a profound effect on who we are. In essence, *Outliers: The Story of Success* discusses that individual success is a product of talent, hard work, opportunity and ‘cultural legacy’:

***Success = Talent x Hard Work x Opportunity x Cultural Legacy***

Can this idea of success being more than just talent and hard work be extended to projects within organizations? I consider the answer to be ‘yes’ - if ‘cultural legacy’ refers to the existing maturity of an organization to embed PRINCE2. The other parameters must be considered if organizations wish to embed PRINCE2 successfully and if we interpret the above equation from an organizational perspective, what I am advocating here is a holistic approach to *embedding* PRINCE2. Let’s, then, explore this a bit further.

There is certainly plenty of project management talent in organizations working very hard – take a good look around your staff, I’m sure you’ll be pleasantly surprised. I don’t consider these first two parameters in the equation to be a bottleneck to success. Moreover the key challenges for organizations to overcome are based around the *opportunity* to use PRINCE2 (and possibly refine for their own particular needs) and their ‘cultural legacy’. Fortunately, these challenges are not insurmountable as we shall now see.

Let's take 'opportunity' first. As an experienced PRINCE2 lecturer working with numerous organizations, I have seen thousands of delegates attend events and get 'fired up' at the prospect of using PRINCE2 back in the workplace once the course has finished. Let's be realistic, not all delegates who attend a PRINCE2 course are interested in using it back in the workplace – some are solely interested in gaining the PRINCE2 Foundation and PRINCE2 Practitioner qualification for personal and/or professional development reasons (and why not? Recall Section 5.4) - but a large proportion of delegates are (as well as gaining the qualifications, of course!). However, not through lack of willingness or effort, sometimes they do not get the opportunity to experience just what benefits PRINCE2 can bring. Due to a variety of reasons (for example, lack of organizational-wide buy-in, lack of willingness to change business processes to enable full implementation, lack of infrastructure to support a corporate wide method, poor understanding of what PRINCE2 is – and the list can go on) organizations may not create the environment whereby PRINCE2 can be practised and the benefits of such exploited. A crying shame as they are there to be had! Organizations *must* create opportunities to allow PRINCE2 to be practised and engineer the correct environment to enable success.

Following this argument, a strong case can be made for a structured approach to *Portfolio Management* [6] defines portfolio management to be 'a co-ordinated collection of strategic processes and decisions that together enable the most effective balance of organizational Change and Business as Usual'. An organization undertaking effective portfolio management will increase the likelihood that the right projects are being done and, hence, create the opportunities to allow PRINCE2 to be practised - since the decision making process to arrive at the selection of a particular project, surely, must include some acknowledgement of the maturity of the project management environment in which it will operate. Which brings me nicely onto the last parameter in our equation: 'cultural legacy'?

So, how does the 'cultural legacy' of an organization create a challenge to the successful *embedding* of PRINCE2 and how is the 'culture legacy' changed to ensure this can be achieved?

An organization has to decide what *outcome(s)* it wants to achieve through adopting PRINCE2. As we have seen in Section 3 (and in [1], page 19), the definition of a benefit (of a project) is the 'measurable improvement resulting from an outcome that is perceived as an advantage by one or more stakeholders'. Therefore, if the organization does not know what it wants to achieve from adopting PRINCE2, then it cannot hope to realise the full business benefits of it. This is the first step in overcoming inherent 'cultural legacy' – clarity on what it is they want to achieve from a project management method. Hopefully the discussion from Section 5 will help organizations decide. Organizations must recognise the need to transform their business operations to encompass PRINCE2 - after all, the adoption of PRINCE2 is a change and must be managed in the most appropriate way (using PRINCE2, of course!). The more mature organization will recognise this means to justify the end – less mature organizations may not.

Could any lack of maturity in project management be down to the existing culture within the organization? Certainly. What is the existing culture of project management like in your organization? Are you doing the 'correct' projects as well as doing projects 'correctly'? Is project management considered a dedicated career path? Are the skills and attributes of a good project manager recognised as professional skills in their own right? Is support, advice and guidance available from experienced project management professionals? Are projects (still) being undertaken by individuals on top of their 'day-job'? Sound familiar? In my experience, this last comment is probably the most common 'complaint' from delegates on PRINCE2 events – that they can see the benefit of using PRINCE2 but they are too busy doing their 'day job' to give it their full attention. This is a classic case of an organization having talented and hard working individuals and providing an opportunity to use PRINCE2 (albeit limited – perhaps through not adopting portfolio management), but the inherent culture of the organization does not permit full exploitation due to the way it operates (i.e. its cultural legacy does not allow it).

[1], page 215 makes a distinction between *tailoring* and *embedding*. Tailoring refers to 'the appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, control, governance and use of processes and themes', whereas embedding is defined as 'the adoption of PRINCE2 across an organization'. To overcome 'cultural legacy', organizations must look to *embed* PRINCE2 - not simply tailor or use it on an ad-hoc basis.

As I have already advocated, the way to embed PRINCE2 is to treat the problem holistically and look at an organization as a whole greater than the sum of its parts. It will take more than a few templates and



exam successes to embed PRINCE2 - sorry about that! Even if the desire to embed PRINCE2 is manifest, the means to make it happen may not be. As we have mentioned, organizations will have to change their business operations to embed PRINCE2 - to quote from [3] page 184, if I may: 'the embedding of the new capability into the business such that it becomes 'business-as-usual' is where benefits realisation occurs'. This is the task at hand – put in place the capability to embed PRINCE2 and see *it through* so that PRINCE2 becomes the 'norm' for managing projects.

So, what is the required capability we desire? Certainly a method, templates and knowledgeable individuals, but what else? Here a *maturity model* can be used to help us identify the capability gaps in the organizational processes. A 'maturity model' is a hierarchical approach that enables organizations to assess their current capabilities in Portfolio and/or Programme and/or Project Management to allow diagnosis of areas for improvement that will make the biggest impact on performance. The PRINCE2 Maturity Model is referenced in [9] and looks at just the organizational capacity to use PRINCE2. To 'throw the net wider', and consider the inherent maturity in portfolio and programme management, organizations can look to use P3M3® - Portfolio, Programme and Project Management Maturity Model (see [10]).

We first met both P2MM™ and P3M3® in Figure 1 and just as only ATOs can provide training events that lead to PRINCE2 qualifications, only Accredited Consulting Organizations (ACOs) can undertake P2MM and P3M3 assessments. More information on ACOs and who offers P2MM and/or P3M3, or how to become an ACO can be found through the APM Group – [www.apmgroup.co.uk](http://www.apmgroup.co.uk), +44 (0)1494 452450. Details of specific events can be found by contacting the individual ACOs directly. For P3M3 a questionnaire is available for download (from: <http://www.p3m3-officialsite.com/home/home.asp>) for organizations to undertake a P3M3 assessment themselves, but it should be noted that this will, naturally, not be as effective as doing any assessment with an accredited and experienced consultant working for an ACO. As an aside, the equation in Section 5.4 on PRINCE2 competence can be modified for P2MM and P3M3 and the argument still holds.

This is all well and good and maturity modelling can help identify what needs to be done. But, as stated, organizations must *know* what outcome they want to achieve (i.e. what level of maturity they wish to achieve) as if the capability gap is too great, and organizations wish to 'fix' too much too soon, embedding may not be as effective as originally anticipated.

Any recommendations *must* also include capability for an infrastructure to ensure that PRINCE2 is supported in business-as-usual. [5] is the UK Office of Government Commerce guidance for setting up a Portfolio, Programme and Project Office (P3O). This will give PRINCE2 a 'home' in the organization and a P3O could take on accountability for the continual process improvement and competency development of staff in PRINCE2 and project management.

The final part of 'cultural legacy', and perhaps the most important part, is that organizations must *want* to change. The business benefits of adopting PRINCE2 may look good on 'paper', but if there is no desire or drive from the organization to change, all the individual talent and hard work will be 'fruitless'. *Please* don't neglect the human aspects of all this – your staff are your best assets and, ultimately, they will be the ones who determine whether the business benefits of your decision to embed PRINCE2 will actually be realized.

## 7 Conclusions

So that's it - a detailed treatise on the PRINCE2 Business Benefits for the commercial, public and voluntary sectors, and also the individual!

Except that this white paper has discussed more than the title suggests. It was necessary to contextualise the title by defining what PRINCE2 is, why there is a need for project management (and, indeed, a structured method) and what is actually meant by the term 'business benefit'. After discussing how better project delivery through consistent use of PRINCE2 can lead to a measurable improvement in business performance, and (hopefully) 'whetting an organizations' appetite' to strive to achieve such benefits, this white paper concluded by providing some practical advice as to how to embed PRINCE2 into a company – as this is what is required to be successful in this endeavour.

In today's ever changing world, risk is inherent in everything we do. Who knows what the future holds? There is, however, only one thing we know to be true – the world will not be the same as it is now! Projects are the means by which organizations transform their business operations, and organizations will have to change to survive. Those that embrace this challenge will prosper - those that don't will struggle. Given this degree of uncertainty, organizations must transform as effectively and efficiently as possible and project management is the enabler for this success.

PRINCE2 is the industry standard project management method and is, therefore, a known quantity. It is generic, has a common language that crosses industry and geographical boundaries, is 'tried and tested', repeatable and teachable. With a wealth of experience, resources, education and consultancy available PRINCE2 is a risk management tool for organizations that wish to change/transform with efficacy.

Perhaps this is the most powerful PRINCE2 Business Benefit of all.

## 8 References and Further Reading

The following publications are referenced in the text and recommended as additional reading:

- [1] *Managing Successful Projects with PRINCE2*, Edition 5, The Stationery Office, Norwich, 2009. ISBN 978-0113310593
- [2] *Directing Successful Projects with PRINCE2*, Edition 1, The Stationery Office, 2009. ISBN 978-0113310609
- [3] *Managing Successful Programmes*, Edition 3, The Stationery Office, 2007. ISBN 978-0113310401
- [4] *Management of Risk: Guide for Practitioners*, Edition 2, The Stationery Office, 2007. ISBN 978-0113310388
- [5] *Portfolio, Programmes and Project Offices*, Edition 1, The Stationery Office, 2008. ISBN 978-0113311248
- [6] *Portfolio Management Guide*, Final Public Consultation Draft, 2008. [http://www.ogc.gov.uk/documents/PfM\\_Guide\\_OGC.pdf](http://www.ogc.gov.uk/documents/PfM_Guide_OGC.pdf)
- [7] *Office of Government Commerce Gateway™ Review Process*. [http://www.ogc.gov.uk/what\\_is\\_ogc\\_gateway\\_review.asp](http://www.ogc.gov.uk/what_is_ogc_gateway_review.asp)
- [8] *ITIL Publication Lifecycle Suite*, Version 3, The Stationery Office, 2007. ISBN 978-0113310500
- [9] *PRINCE2® Maturity Model (P2MM)*, Version 1, 2006. [http://www.ogc.gov.uk/documents/PRINCE2\\_Maturity\\_Model\\_Version\\_1.pdf](http://www.ogc.gov.uk/documents/PRINCE2_Maturity_Model_Version_1.pdf)
- [10] *Portfolio, Programme and Project Management Maturity Model (P3M3®)*, Final Public Consultation Draft Version 2, 2008. <http://www.p3m3-officialsite.com/home/home.asp>
- [11] *PRINCE2 Best Management Practice website*, <http://www.best-management-practice.com/Project-Management-PRINCE2/>
- [12] *Official PRINCE2 website*, <http://www.prince-officialsite.com/home/home.asp>
- [13] *Collins Concise Dictionary* (2000), Edition 4, HaperCollins Publishers Limited, Glasgow. ISBN 0 004723961
- [14] Harold Kerzner (2003). *Project Management: A Systems Approach to Planning, Scheduling and Controlling*, Edition 8, John Wiley & Sons, Inc., New Jersey. ISBN 0 471225770
- [15] Sir Peter Gershon, CBE (2004). *Releasing resources to the front line. Independent Review of Public Sector Efficiency*. ISBN 1 84532 032 8. © Crown copyright 2004
- [16] APMG 192 – PMD Press Release, APM Group Limited, (2009)
- [17] Malcolm Gladwell (2008). *Outliers The Story of Success*, Penguin Books. ISBN 978-0141036250

## About the author

### **Dr Ian Clarkson**

Senior Principal Lecturer  
Professional Best Practice  
QA  
ian.clarkson@qa.com

Dr Ian Clarkson is a Senior Principal Lecturer in programme and project management within the Professional Best Practice area of QA - the UK's leading training company. He is an experienced programme and project manager, having delivered programmes and projects in both the private and public sectors. This extensive hands-on experience coupled with a background in education has made Ian a well known and highly respected lecturer and consultant in his field. Ian has successfully undertaken accredited and non-accredited training and consultancy in all industry sectors in the UK and currently works with a team of highly experienced lecturers and consultants helping organizations excel in all aspects of programme and project management.

## Acknowledgments

Sourced by TSO and published on **www.AXELOS.com**

Our White Paper series should not be taken as constituting advice of any sort and no liability is accepted for any loss resulting from use of or reliance on its content. While every effort is made to ensure the accuracy and reliability of the information, TSO cannot accept responsibility for errors, omissions or inaccuracies. Content, diagrams, logos and jackets are correct at time of going to press but may be subject to change without notice.

© Copyright TSO and QA Reproduction. Reuse of this White Paper is permitted solely in accordance with the permission terms at <http://www.AXELOS.com/Knowledge-Centre/White-Papers/>

A copy of these terms can be provided on application to AXELOS at [Licensing@AXELOS.com](mailto:Licensing@AXELOS.com)

## Trade marks and statements

The AXELOS logo is a trade mark of AXELOS Limited.

The AXELOS swirl logo is a trade mark of AXELOS Limited.

ITIL® is a registered trade mark of AXELOS Limited.

M\_o\_R® is a registered trade mark of AXELOS Limited.

MSP® is a registered trade mark of AXELOS Limited.

P3M3® is a registered trade mark of AXELOS Limited.

P30® is a registered trade mark of AXELOS Limited.

PRINCE® is a registered trade mark of AXELOS Limited.

PRINCE2® is a registered trade mark of AXELOS Limited.





TRAINING ORGANIZATION ACCREDITED BY



ON BEHALF OF



PRINCE2® is a Registered Trade Mark of AXELOS Limited

The Swirl logo™ is a Trade Mark of AXELOS Limited

**Masaryk University, Faculty of Economics and Administration**

Lipová 41a, 602 00 Brno, Czech Republic

T: +420 549 49 1710, E: [info@econ.muni.cz](mailto:info@econ.muni.cz), [www.econ.muni.cz](http://www.econ.muni.cz)

Bank account: KB Brno, Ref. No.: 85636621/0100, ID: 00216224, Tax ID: CZ00216224

