PROJEX ACADEMY



PRINCE2®
7th Edition
Masterclass
Handbook

PRINCE2®

Handbook 2

Copyright

The Swirl logo™ is a trademark of AXELOS Limited, used under permission of AXELOS Limited. All rights reserved.

PRINCE2® is a registered trademark of AXELOS Limited, used under permission of AXELOS Limited. All rights reserved.

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

Cover and internal design © The Projex Academy

V1.0 March 2024

https://www.projex.com

All rights reserved. No part of this book may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems – except for brief quotations in articles or reviews – without permission in writing from its publisher, David Geoffrey Litten.

All brand names and product names used in this book are trademarks, registered trademarks, or trade names of their respective holders.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 1

Ensure continued business justification

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Foundation Exam Learning Outcomes

Understand how the PRINCE2 principles underpin the PRINCE2 method



Explain the PRINCE2 principles:
- ensure continued business justification
- learn from experience
- define roles, responsibilities and relationships
- manage by stages
- manage by exception
- focus on products
- tailor to suit the project

Explain how and why the principles provide the basis of applying **PRINCE2**, and which factors influence the way the PRINCE2 method can be tailored and applied, who is responsible, and how tailoring decisions are documented

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Practitioner Exam Learning Outcomes

Analyse the application of PRINCE2 principles in context

a) Ensure continued business justification
b) Learn from experience
c) Define roles, responsibilities and relationships
d) Manage by stages
e) Manage by exception
f) Focus on products
g) Tailor to suit the project



PART ONE	PART TWO	PART THREE	PART FOUR	PART FIVE
Module 1 PRINCE2 Overview	Module 4 Starting Up a Project	Module 7 Initiating a Project	Module 10 Product-based Planning	Module 13 Controlling a Stage
Module 2 PRINCE2 Principles	Module 5 Organizing Practice	Module 8 Risk Practice	Module 11 Plans Practice	Module 14 Managing Product Delivery
Module 3 People	Module 6 Business Case Practice	Module 9 Quality Practice	Module 12 Directing a Project	Module 15 Managing a Stage Boundary
PART SIX	Module 16 Issues Practice	Module 17 Progress Practice	Module 18 Closing a Project	

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

The PRINCE2 Principles - 1

The PRINCE2 principles are the **guiding obligations** that determine whether the project is genuinely being managed using PRINCE2

The seven principles offer flexibility by providing guidance on how the PRINCE2 integrated elements can be applied and tailored ...

PRINCE2 is suitable for every project, regardless of type, size, complexity, importance, level of risk, or delivery method

PRINCE2 can be used for all types of organizations, whether commercial, governmental, non-profit, or not-for-profit



So long as the principles are followed, **PRINCE2** is being used **effectively**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

The PRINCE2 Principles - 2

PRINCE2 is applicable for projects anywhere in the world, with its ability to incorporate country-specific regulations, business models, and cultures



The PRINCE2 method is based on **Seven principles**

- ensure continued business justification
- learn from experience
- manage by stages
- define roles, responsibilities, and relationships
- manage by exception
- focus on products
- tailor to suit the project.

The PRINCE2 method is flexible in how it can be used by offering guidance through principles - enabling the project management team to decide how it will be used on their project

How the method is **applied and tailored** depends on project nature and internal/external business factors

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Tailoring a project - 1

The purpose of tailoring is to ensure that:

The project management method used is appropriate to the project



Project controls are appropriate to the projects scale, complexity, importance, team capability, and level of risk

Tailoring requires the project board and the project manager to make proactive choices and decisions on how PRINCE2 will be applied

When tailoring PRINCE2, it is important to remember that effective project management requires information (but not necessarily documents) and decisions (but not necessarily meetings)

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Tailoring a project - 2

If PRINCE2 is not tailored, it is unlikely that the project management effort and approach would be appropriate for the needs of the project



The project manager is responsible for tailoring and will make recommendations having consulted relevant lessons and standards

The project board is accountable and needs to approve the recommendations at the end of the initiation stage and every time there is a proposed change to the approach

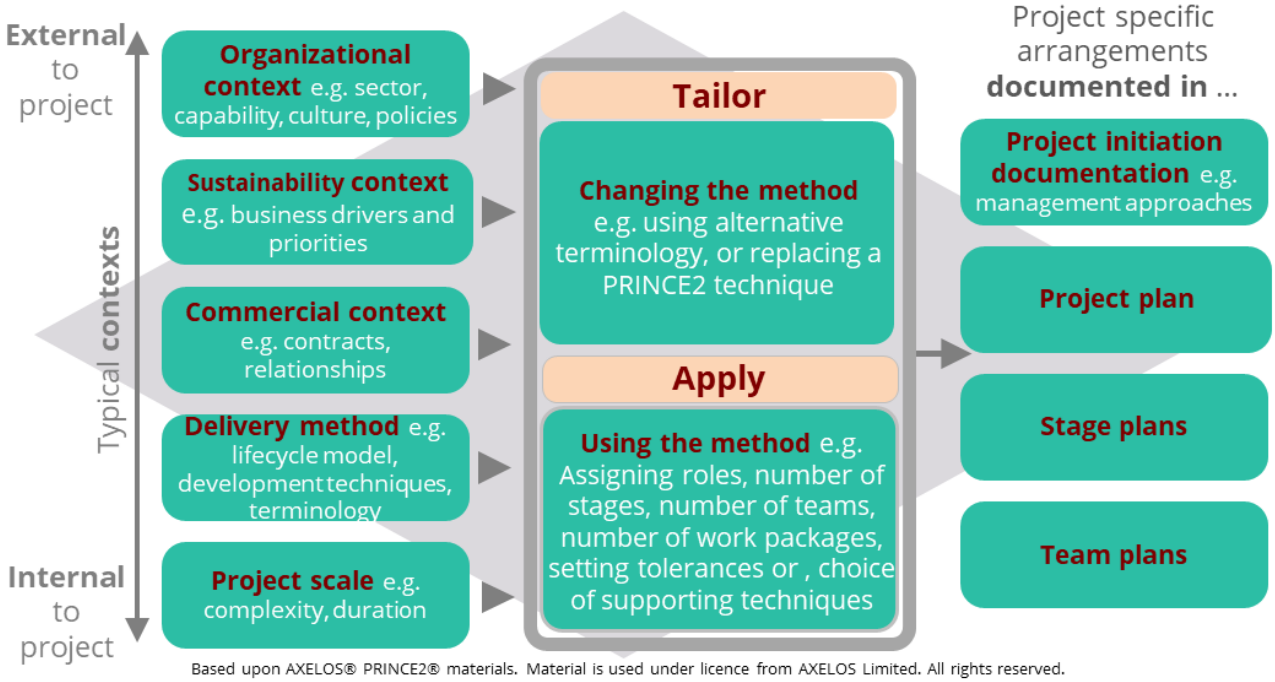
How **PRINCE2** will be applied and tailored for a specific project is captured in the **project initiation documentation**



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

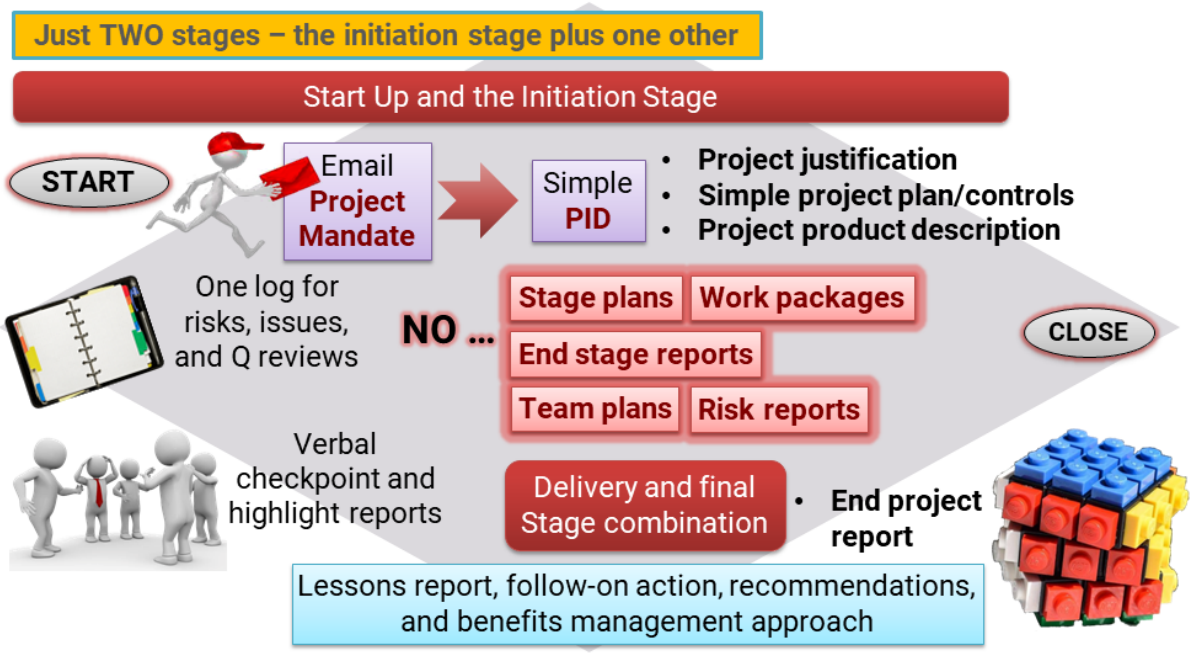
PRINCE2® 7th Edition

Tailoring a project - 3



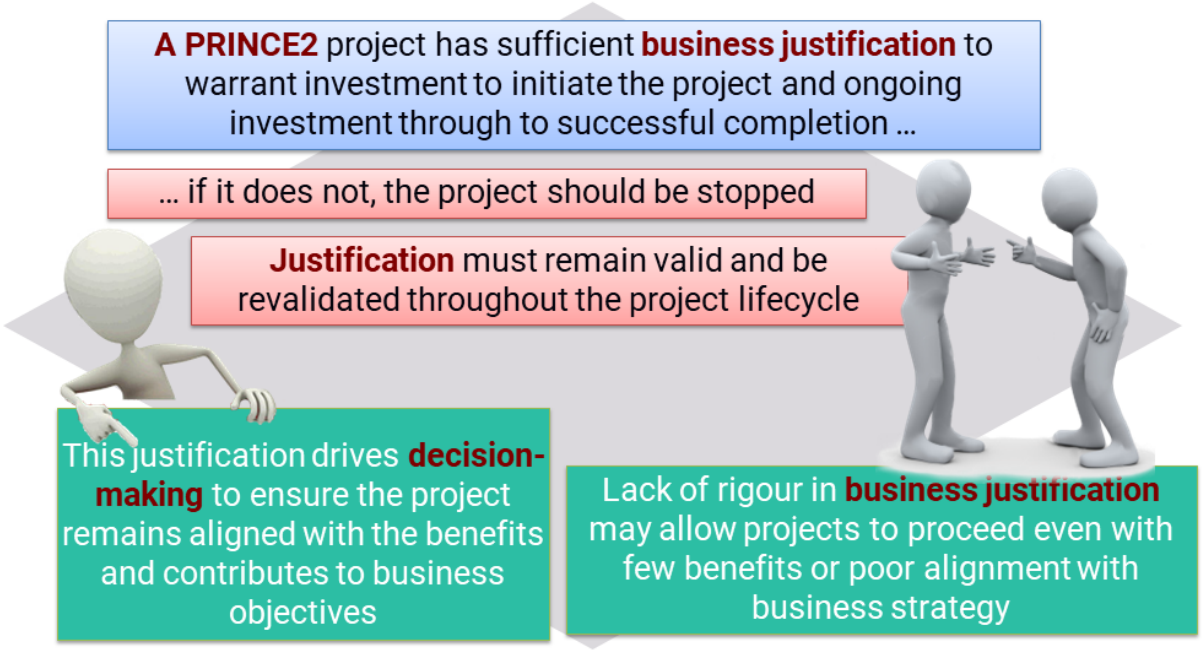
Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition — Imagine a small, simple project ...



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition — Ensure continued business justification - 1



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Ensure continued business justification - 2

Compulsory projects, such as those driven by legislation or regulation, still require justification for the chosen approach to ensure it represents the best value for money

All parties involved in the project will need a **balance** between expected benefits, costs, and risks for them to have business justification for their involvement



A project's business justification may change; therefore, its delivery must remain consistent with its evolving justification



If continuing with the project can no longer be justified, then it should be stopped and ended in a controlled way

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Ensure continued business justification - 3

Cancelling a project under these circumstances can benefit the business, as the project's funds and resources can **be reinvested** in other, more worthwhile projects

After completion, it should be reviewed to evaluate whether the benefits materialized sufficiently to warrant the final investment and what lessons can be learned from the project

Ensure Business Justification examples



Each party must have a **clear business justification** for undertaking and continuing with a commercial project with one or more customers and suppliers

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Ensure continued business justification - 4

The customer may introduce a **new product** to enhance market share

The supplier's business justification might include non-financial benefits, such as gaining an impressive **customer reference** for promotional purposes or building experience in applying **new technologies**

Examples

A co-owned project, such as a governmental project to jointly develop a new IT system across several agencies, if the business justification is lost for one or more parties, they should consider **ending their project participation**



The consequences of ending or withdrawing participation in the project, (contractual obligations?), will inform the decision for **premature close**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 2

Learn from experience

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Learn from experience - 1

A PRINCE2 project team actively seeks, records, and implements improvements due to **relevant lessons learned** from **prior projects** and throughout the **project's life**



It applies them in **future projects** and shares them for others to use



A common characteristic of projects is that they include an element of **uniqueness** – making them challenging as the temporary team may have yet to experience a project quite like the one being undertaken

Project teams need to find ways to learn from others experience of others and experience gained from the evolving current project

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Learn from experience - 2

When starting a project: previous or similar projects should be reviewed to see if lessons could be applied

If the project is a 'first' for the people in the organisation, if there is any new or novel content, then learning from others is even more critical

This could include projects delivered by people or organisations external to the business to identify relevant lessons



The project team should continue to learn **as the project progresses**

Lessons should be included in relevant **reports** and **reviews** and included at the end of each stage

The goal is to seek improvement opportunities during the project's life

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Learn from experience - 3



The retrospective technique is an example of gathering lessons in the **agile** approach



As the project closes, the project team should share the data and insights gained during the project



Projects should be clear about what **data is required**, how it will be analysed so that insights can be acquired and applied, and what will happen to the data during the project and when the project closes

Project teams must consider how to **effectively share lessons** with all those involved, as people may have different learning needs and preferences

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Learn from experience - 4

Some may learn best by **observing**, whereas others do so by **experimenting**



Learning from **mistakes and successes** is essential to improve and **innovate continuously**

Everyone involved with the project is responsible for **identifying lessons** rather than wait for someone else to do so



Lessons not used to improve the project or future projects are only 'lessons identified' and not '**lessons learned**'

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Learn from experience - 5

Examples of learn from experience' principle

In a smaller project with one co-located team, 'lessons learned' can be discussed regularly in team meetings, so learning happens on the job, potentially daily

In a large and complex project, the learning process will involve many project team members who could be spread across multiple teams and locations

With this large-scale approach, learning is harder to ensure everyone can access the same learning experience

Learning in **larger projects** may require more advanced communication, such as explanatory videos, presentation kits for project team managers, or tailored workshops in subgroups

Such projects may benefit from field trips, pilots, simulations, or go-live rehearsals as a source of learning, too



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 3

Roles, responsibilities and relationships

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Defined roles, responsibilities, & relationships



A PRINCE2 project has defined and agreed-upon roles and responsibilities within an organization that engages the interests of the business, users, and suppliers

The PRINCE2 project management team initiates and builds relationships with and between **internal and external stakeholders**

The right people must be involved and know what is expected of them and what they may expect from others in the project



A project must understand **stakeholder relationships** with and between stakeholders and ongoing activities to strengthen them

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

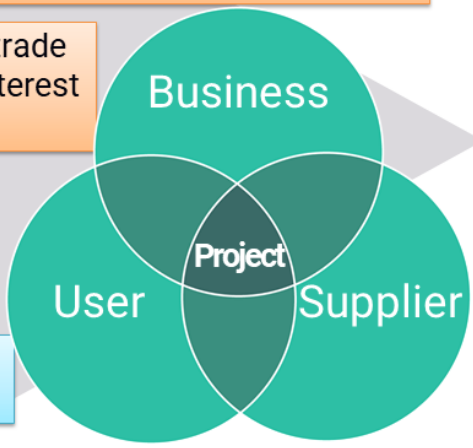
PRINCE2® 7th Edition

Stakeholders

Stakeholders can be individuals or groups within or external to the business

Stakeholders within the company could be a work council, sustainability board, diversity board, owners, department leaders, or other project teams

Stakeholders outside the business could be trade unions, customers, suppliers, communities, interest groups, banks, or the media



All projects have these primary stakeholder interests: **the business**, **users**, and **suppliers**

All represented in the project management team via the **PRINCE2 project board**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Defined roles, responsibilities, & relationships

Defining **roles and responsibilities** is particularly challenging as projects are cross-functional, may involve more than one organization, often have a mix of full and part-time resources, and may be spread across multiple locations

The **management structures** of those involved in the project will likely vary, with different priorities, objectives, and interests to protect

Daily **business line management structures** may be designed for something other than **project work**

The assignment of project roles and responsibilities to individuals throughout the project's life must be **clear, unambiguous, and accepted**



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Defined roles, responsibilities, & relationships

Principle application examples

If the project is part of a **programme**, then the programme management team may hold some of the project responsibilities

In this case, the programme's **business change manager (BCM)** may undertake the **project executive** or **senior user** role on the project board to help align the project with the programme



The programme management office (PMO) could provide **project support**

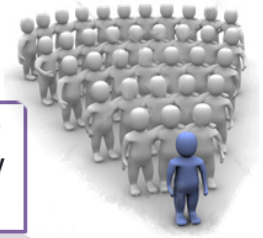
The **programme's design authority** could **authorize changes** at the project level

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Defined roles, responsibilities, & relationships

Principle application examples



The project nature determines the number of stakeholders and the amount of created change for each, goaled to enhance consistency and coherence between the project and programme

A project with **few stakeholders** and a high degree of impact has a focused approach to engaging with them, perhaps individually and personally

A project with **many stakeholders** and a wide range of impacts may use multiple approaches, combining personalized engagement with more general engagement through surveys and broadcast channels (such as emails)

For projects with development teams using **agile development methods**, the PRINCE2 **team manager** role may be held collectively by the team



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 4

Manage By Stages

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle Manage by stages - 1

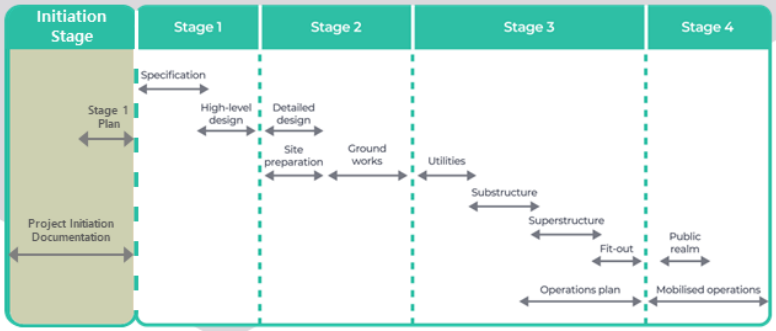
A stage is the section of a project that the project manager manages on behalf of the project board at any one time



A PRINCE2 project is planned, monitored, and controlled **stage-by-stage**

The focus on managing by stages ensures that the project is **adequately initiated** before work starts on delivering its outputs

Every **PRINCE2** project should have at least two stages: an **initiation stage** and **one further stage (often more)**



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle Manage by stage

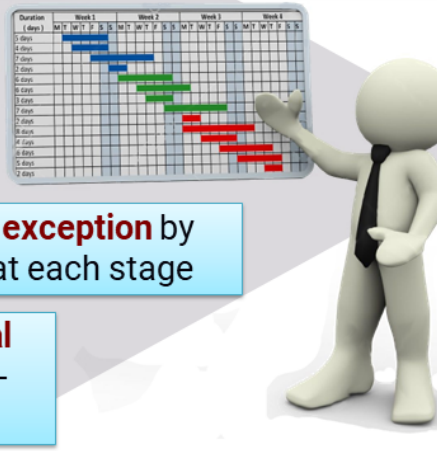
ESA

Manage by stages advantages

It enables adaptability to changes in the project or business context

It provides the ability to ensu **critical decisions** are made be the detailed work is implemer

Provides **review and decision points** for the project board to assess project viability at defined intervals rather than letting it continue uncontrolled



It facilitates the principle of **management by exception** by delegating authority to the project manager at each stage

It clarifies the impact of an identified **external influence**, such as the organisational budget-setting process or legislation finalising

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

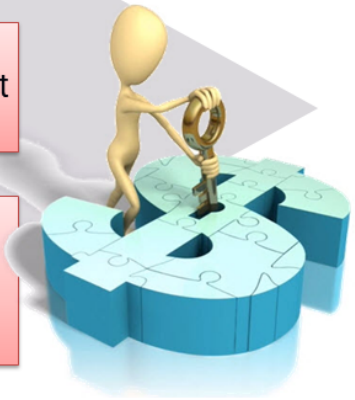
PRINCE2 Principle Manage by stages - 3

The choice of appropriate stages for a project will depend on several factors, including:

Minimising risk exposure through the project lifecycle

The size and complexity of the project (shorter stages offer more **control**, whereas longer stages reduce the effort for senior management)

Any significant decisions and control points required during the project's lifecycle will often be **linked** to critical investment, business, or technical decisions sector or business policies and standards



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

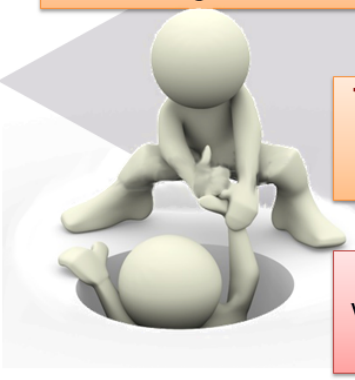
PRINCE2® 7th Edition

PRINCE2 Principle Manage by stages - 4

The project board authorises one stage at a time and delegates authority for day-to-day stage control within agreed tolerances, to the **project manager**

The project manager can adjust as required providing the stage is forecast to remain within **tolerance**





The project board only authorises the next stage if there is sufficient business justification and funds to continue

If the project's **business case** is no longer valid, the board will determine whether and how to recover or prematurely end it

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle Manage by stages - 5



An example of applying the 'manage by stages' principle is when teams work in 'sprints' or 'timeboxes' while operating **incrementally and iteratively** to realise the agreed features and user stories

PRINCE2 can be **tailored** to work with **sprints and user stories** instead of **work packages and product descriptions**

The project manager will define how many **sprints** are required for each **stage**, to ensure the project is consistent with the principle of **manage by stages**

Iterative development assumes we will probably get things wrong before we get them right, and poorly before we do them well

Incremental development – build some of it, before you build all of it to adapt and to change how we proceed

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 5

Manage By Exception

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 1

A PRINCE2 project establishes limits of delegated authority by defining **tolerances** for performance against its plans

The definition of tolerance

The permissible deviation above and below the plan's target for benefits, cost, time, quality, scope, sustainability, and risk without escalating the deviation to the next management level



Tolerance is applied at **project**, **stage**, and **team** levels

PRINCE2 applies governance by defining distinct responsibilities and accountabilities for **directing**, **managing**, and **delivering** the project

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 2

Accountability is established by:

Time | Risk | Scope | Sustainability | Cost | Quality | Benefits

delegating authority from one management level to the next

setting tolerances against the seven aspects of **performance** for each **respective level** (project, stage, team)

establishing controls so if tolerances are forecast to be exceeded, they are flagged as an exception and **escalated to the next management level** for a decision on how to proceed



establishing an assurance mechanism so that each management level can be confident that the exception **controls** are effective

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 3

The seven aspects of a plan's performance requiring tolerances to be defined are:

benefits: the degree to which it is permissible to **underdeliver or overdeliver** benefits

for example, the business case for a sales improvement project modelled with a plus or minus two percent range of increased income



costs: the degree of permissible **overspend or underspend** against an agreed budget (both person-hours and financial)

time: the degree to which it is permitted to **deliver earlier or later** than an agreed target completion date compared to the project plan, stage plan, or work package description

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 4

Quality: how much something can vary from agreed **acceptance criteria**



for example, a project to produce a new sports watch is targeted to work underwater to 50 metres depth with a permissible tolerance of plus or minus five metres

Scope: permissible variation of the plan's products



for example, a project requiring delivery of all the mandatory requirements but permitted to deliver only 60 per cent or more of its should-have and could-have requirements

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 5

Sustainability: the degree to which the project product or activities required to deliver the project can **vary from sustainability targets**



for example, a new production line operated within five per cent of an emissions target and was delivered using around 70 per cent of the workforce from the local community



Risk: limits on the plan's **aggregated risk**

for example, a tolerance that the cost of aggregated threats must remain less than 10 per cent of the agreed budget and that the cost of any single threat must be no more than five per cent of the budget

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition PRINCE2 Principle: Manage By Exception - 6

Implementing '**manage by exception**' provides for efficient use of **senior management time** as it reduces senior managers' time burden without removing their control



This ensures that **decisions** are made at the **right level** in the organization

Advising the next management level that the work will move outside agreed tolerances provides a **swift decision** on how to proceed, so the decision-maker can accept the deviation and its consequences or act to remove or reduce it

A project using an **iterative-incremental delivery method** with defined timeboxes will typically **fix time and cost** and **vary in scope**, so time and cost will have tighter tolerances than the scope



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Manage By Exception - 7

An example of applying the 'manage by exception' principle is that tolerances will differ depending on the project's context …



… such as a project with a commercial arrangement between customer and supplier where the tolerances will be reflected in the **contract**



In this example, if the project manager learns that procured materials will be delivered late and the issue cannot be resolved within the tolerances, the **project manager** will need to swiftly alert the **project board**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 6

Focus On Products

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 1

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

A product is an input or output, whether tangible or intangible, that can be described in advance, created, and tested



PRINCE2 includes four types of products:

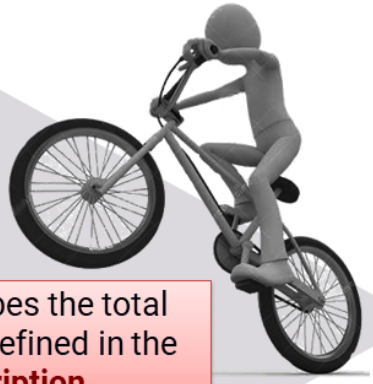
1. **Management products:** are often documents or information needed to support the **management of the project**, such as a business case or a plan

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 2

2. **Specialist products:** are the products that the user needs to realize the benefits required of the project



3. **The project product** describes the total output from the project as defined in the **project product description**

4. **External products:** are products developed or provided outside of the project's control but which the project is dependent on, for example, the publication of a new standard

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 3

Specialist products will be referred to as simply 'products', except when a distinction between management and specialist products is needed

'**Project products**' refers to the specialist and management products created during the project



Projects that focus on **what the project needs to produce** are more likely to be efficient and avoid waste than projects that focus primarily on the **work activity**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 4

The purpose of a project is to **fulfil stakeholder expectations** by the business justification, so there must be a common understanding of the **products** required meeting the **user quality expectations**



The purpose of a project can be interpreted in many ways, unless there is an explicit understanding of the **products to be produced** and the **criteria** against which they will be individually approved

PRINCE2 requires projects to be **output-oriented** rather than **work-oriented,** so PRINCE2 calls these outputs '**products**'

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 5

This focus on products:

ensures that the project only performs work that directly contributes to the **delivery of a product** (that is, the project does no more work than it needs to deliver its agreed products)



helps manage **uncontrolled change** ('scope creep') by ensuring that all changes are decided in terms of how they will impact the project products and the business case for the project

reduces the risk of **user dissatisfaction and acceptance disputes** by agreeing (at the start of the project)



what will be produced by the project assists a **pause or closure** of the project

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 6

Agreements can be more easily met to pause or close a project after completing **certain products**, and allows a more manageable and controlled **resumption** of the project



An output-oriented project agrees and defines the **project product** before undertaking the activities required to produce it



The set of approved products establishes the **scope of a project** and provides the basis for **planning and control**

A PRINCE2 project uses **product descriptions** that provide the means to determine effort estimates, resource requirements, dependencies, and activity schedules

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 7

The focus on products supports almost every aspect of **PRINCE2:** planning, responsibilities, progress reporting, quality, change control, acceptance, and risk management

Focus on products Principle examples:

A single project **product description** might suffice in a small, simple project, such as publishing a new book

The description will determine, for example, how many **chapters** will be required, the desired total **number of pages**, the **language**, and the number of **graphics** in colour **versus black and white**



Product descriptions for projects using **an iterative, incremental delivery method,** such as **agile**, may include requirements, features, **epics**, and **user stories**



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

PRINCE2 Principle: Focus on Products - 8

Focus on products Principle examples:

For larger and more complex projects, the **project product description** will be divided into **sub-products** and then further subdivided to a level of detail to understand how **each product** will be **sourced, developed, and approved**

The further the **products** are subdivided, the harder it will be for the project board to be able to decide whether **product descriptions** are correct, because the content becomes more technical and requires specialist knowledge

If so, the **supplier** must have expertise to define the right products at each level

The business establishes **project assurance** with the knowledge necessary to ensure the product meets the specifications



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 7

Tailor to suit the project Part 1

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 1

PRINCE2 is applied and tailored to suit the project environment, size, complexity, importance, delivery method, team capability, and level of risk

PRINCE2's value is that it is a universal project management method that can be applied to take account of the project's:

- context
- scale or size
- level of risk
- complexity
- delivery method
- stakeholder landscape
- team capability
- importance



PRINCE2 can be used for any project type, geography, or culture

PRINCE2 can be used on any project because the method is designed to be **applied and tailored** to suit each project's specific needs and context

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 2

The purpose of tailoring is to ensure that:

The project management method used is appropriate to the project (e.g. aligning the method with business processes that govern and support the project, such as human resources, finance, and procurement)

Project controls are appropriate to:

- Scale
- Complexity
- Importance
- Delivery method
- Team capability
- Risk

(for example, the frequency and formality of **reports and reviews**)

Tailoring requires the **project board** and the **project manager** to make proactive choices and decisions on how **PRINCE2** will be applied



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 3

Tailoring may involve adjusting the **terminology** to match terms used by the organizations involved

Tailoring may involve replacing some **PRINCE2 techniques** (such as risk management) with **alternative procedures** already used by the business/supplier(s)



When **tailoring PRINCE2**, it is important to remember that effective project management requires **information** (but not necessarily documents) and **decisions** (but not necessarily meetings)

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 4

If **PRINCE2** is not tailored, it is unlikely that the project management effort and management approaches would be appropriate for the project needs

This can lead to inattentive project management where **PRINCE2** is followed without question, or 'heroic' project management at the other extreme, where **PRINCE2** is not really followed at all



The project manager is responsible for tailoring and will make recommendations having consulted **relevant lessons and standards**

The project board is accountable and needs to approve the recommendations at the end of the **initiation stage** and every time there is a **proposed change** to the **management approaches**



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 2

Lesson 7

Tailor to suit the project Part 2

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 5

Project Initiation Documentation

How PRINCE2 will be applied and tailored for a specific project is captured in the **PID**

risk management approach
issue management approach

benefits management approach
quality management approach

sustainability management approach
commercial management approach
change management approach

communication management approach
digital and data management approach



Everyone involved in the project understands how **PRINCE2** is to be used and how to carry out their responsibilities

The proposed **tailoring** must be consistent with **PRINCE2**'s **seven principles** and that the method retains its **integrity**

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 6

An example of applying the 'tailor to the suit the project' principle is where the project has a **commercial customer-supplier relationship**

The project may need to align the project management processes, practices, and documentation to two or more **quality systems**, one from the customer and one from the supplier

For example, a **supplier** may wish to use their in-house product development framework based on an **iterative-incremental delivery method using agile** management approaches



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

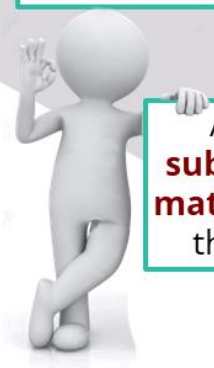
PRINCE2® 7th Edition

Principle: Tailor to suit the project - 7

To avoid potential confusion, the **project manager** might propose to:



Map and define **terminology** between **PRINCE2** and the supplier's agile management approaches



Add the project team roles of '**customer subject matter expert**' and '**supplier subject matter expert**' to the **agile team**, representing the customer and the supplier respectively

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Principle: Tailor to suit the project - 8

Add a **coach** to guide the teams in working effectively in the combination of **PRINCE2** and the supplier's in-house agile method



Collaborate and communicate according to agile ways of working, such as a **daily stand-up** and support agile reporting tools, such as **information radiators**

Define project procedures, such as working with **sprints** or work packages, product descriptions, or **user stories**, and how to use these in the project

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Main PRINCE2 elements for tailoring

Processes may be combined or adapted

Practices can be applied using different techniques



Roles can be combined or split



Management products can be combined or split and, in any form



Terminology can be changed to suit other standards or policies

sed upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition

Foundation Exam Learning Outcomes

Understand how the PRINCE2 principles underpin the PRINCE2 method



Explain the PRINCE2 principles:
- ensure continued business justification
- learn from experience
- define roles, responsibilities and relationships
- manage by stages
- manage by exception
- focus on products
- tailor to suit the project

Explain how and why the principles provide the basis of applying **PRINCE2**, and which factors influence the way the PRINCE2 method can be tailored and applied, who is responsible, and how tailoring decisions are documented

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Practitioner Exam Learning Outcomes

Analyse the application of PRINCE2 principles in context

a) Ensure continued business justification
b) Learn from experience
c) Define roles, responsibilities and relationships
d) Manage by stages
e) Manage by exception
f) Focus on products
g) Tailor to suit the project



PART ONE	PART TWO	PART THREE	PART FOUR	PART FIVE
Module 1 PRINCE2 Overview	Module 4 Starting Up a Project	Module 7 Initiating a Project	Module 10 Product-based Planning	Module 13 Controlling a Stage
Module 2 PRINCE2 Principles	Module 5 Organizing Practice	Module 8 Risk Practice	Module 11 Plans Practice	Module 14 Managing Product Delivery
Module 3 People	Module 6 Business Case Practice	Module 9 Quality Practice	Module 12 Directing a Project	Module 15 Managing a Stage Boundary
PART SIX	Module 16 Issues Practice	Module 17 Progress Practice	Module 18 Closing a Project	

Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2® 7th Edition Well Done! on completing Module 2

PART ONE	PART TWO	PART THREE	PART FOUR	PART FIVE
✓ Module 1 PRINCE2 Overview ✓	Module 4 Starting Up a Project	Module 7 Initiating a Project	Module 10 Product-based Planning	Module 13 Controlling a Stage
✓ Module 2 PRINCE2 Principles ✓	Module 5 Organizing Practice	Module 8 Risk Practice	Module 11 Plans Practice	Module 14 Managing Product Delivery
Module 3 People	Module 6 Business Case Practice	Module 9 Quality Practice	Module 12 Directing a Project	Module 15 Managing a Stage Boundary
PART SIX	Module 16 Issues Practice	Module 17 Progress Practice	Module 18 Closing a Project	



Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition Module 2 Workshop Exercises



The objective of these exercises is NOT to replicate exam questions, but rather to test how much you have absorbed from the PRINCE2 7th Edition syllabus information within the video lessons.

I strongly recommend that you watch each video at least once, and you may find it helpful to skim over video sections for clarification.

I have deliberately not provided answers as I want to encourage you to go back over any video sections that you need to review to obtain the answer. I have included in this handbook graphics of each presentation slide used for each video, and you may prefer to use those instead of the videos.

Finding topic areas, you need to review is a powerful way of honing your PRINCE2 knowledge and gaining a pass in your exams.

1. The PRINCE2 principles are the _____ _____ that determine whether the project is genuinely being managed using PRINCE2
2. The PRINCE2 method is based on SEVEN principles. Name them.
3. What are the FIVE typical PRINCE2 project contexts? Which of those would you typically tailor, and which of those would you typically apply?
4. Complete the sentence: ” A PRINCE2 project has sufficient business justification to warrant ……..”
5. Why is rigour in business justification important?
6. Why should Compulsory projects, such as those driven by legislation or regulation, still require justification?
7. If continuing with the project can no longer be justified, then it should be stopped. What are the benefits of doing this?
8. Explain how lessons are used and applied throughout a project’s lifecycle.
9. Which part of an agile sprint provides a good opportunity to review lessons?
10. Explain how lessons can be used in simple projects and in more complex projects.

11. Explain the difference between the roles on a project board, their interests, and those who fill them.

12. Defining project roles and responsibilities is particularly challenging and why are line management roles unlikely to be used?

13. How might project roles be used with programmes or portfolios?

14. When using agile development methods with PRINCE2, who might take the team manager role?

15. State FIVE examples of the advantages of using PRINCE2 management stages.

16. State THREE factors that influence the appropriate number of stages for a project.

17. Which authority authorizes the project one stage at a time,

18. Explain how PRINCE2 can be tailored to work with management stages, sprints and user stories. Describe the management products that may be used.

19. Explain the differences between iterative and incremental development.

20. State the definition of Tolerance. At what levels is it applied?

21. What are the SEVEN types of tolerances and their THREE levels?

22. In your own words, explain how tolerances provide project control in conjunction with management by exception.

23. Which management role provides “audit” of project progress?

24. Give examples of the seven aspects of a plan’s performance requiring tolerance. Give examples of possible metrics used for each.

25. Why is management by exception a more efficient way of providing management control?

26. Explain how contracts might be used and any considerations needed for tolerances.

27. Describe the FOUR types of products used in PRINCE2.

28. Why is product focus more precise than a focus on work effort?

29. The focus on products helps to manage uncontrolled change (scope creep). State three other benefits when applying the focus on products principle.

30. How does a product description reduce ambiguity when passed to those creating the product?

31. Which role(s) might ensure product descriptions are complete and accurate?

32. What project factors might be considered when deciding how to tailor PRINCE2 (I mention EIGHT, how many can you remember?)

33. I mention FIVE areas where tailoring might be employed (for example, one of them was that processes could be combined or adapted). Can you name the other FOUR?

34. Which are the main documents which will reflect a project's tailoring choices?

35. Which roles is responsible and which role is accountable for tailoring?

36. Which tailoring factors may need to be considered in a commercial customer-supplier relationship?

37. To avoid potential confusion, the project manager might propose several ideas. Name THREE of them.

FOUNDATION QUESTIONS

1. Which principle is being applied when setting limits for the seven aspects of performance to enable the project manager to work effectively?

A. Manage by exception

B. Learn from experience

C. Tailor to suit the project

D. Define roles, responsibilities and build relationships

2. What does the 'ensure continued business justification' principle facilitate?

A. That the project has a business stakeholder to ensure the investment continues to be justified

B. That the project remains desirable, viable and achievable as the project progresses

C. That products delivered by the project meet their quality requirements

D. That the PRINCE2 project management method is suited to the scale of investment

3. Which statement describes how the principles support effective project management?

A. They allow the project team to decide how the method should be applied on the project

B. They take into account industry-specific models as PRINCE2 is generic

C. They rely on a common vocabulary that should be applied as defined in PRINCE2

D. They should be applied in the same way across projects within an organization

4. An external IT company is being appointed to deliver a new accounting system as part of a project.

Which principle is being applied when agreeing the contract with the IT company?

A. Define roles, responsibilities and relationships

B. Manage by stages

C. Manage by exception

D. Tailor to suit the project

5. What does the 'manage by exception' principle enable?

A. Decisions to be made by the right people, at the right time

B. The project to deliver benefits required by the business

C. The project team members to understand their contribution to the project

D. The project team to define the scope to be delivered by the project

6. The project manager agreed with the team manager that a work package can be delivered up to 1 week later than shown on the team plan.

Which principle is being applied by the project manager?

A. Learn from experience

B. Define roles, responsibilities and relationships

C. Manage by exception

D. Focus on products

7. Which statement describes the project context?

A. It should be understood by stakeholders so that the principles are applied appropriately

B. It explains how each aspect of project management should be applied for the processes to be effective

C. It guides the progression from pre-project activity through the stages of the project lifecycle

D. It ensures an understanding of the needs of stakeholders, and the relationships between them

8. Which statement about the 'define roles, responsibilities and relationships' principle is **CORRECT**?

A. The project management team should consist exclusively of internal stakeholders

B. An organization's day-to-day management structures are likely to be suited to control the project work

C. The project board should exclude external supplier representatives

D. Suppliers are stakeholders that can be external to the business

9. Which statement describes how the principles support effective project management?

A. They allow the project team to decide how the method should be applied on the project

B. They take into account industry-specific models as PRINCE2 is generic

C. They rely on a common vocabulary that should be applied as defined in PRINCE2

D. They should be applied in the same way across projects within an organization

FOUNDATION ANSWERS

1. Which principle is being applied when setting limits for the seven aspects of performance to enable the project manager to work effectively?

A. Manage by exception

B. Learn from experience

C. Tailor to suit the project

D. Define roles, responsibilities and build relationships

A. Correct. Setting tolerances against the seven aspects of performance relates to the 'manage by exception' principle. "Delegating authority from one management level to the next by setting tolerances against seven aspects of performance for the respective level of the plan." Ref 2.4

2. What does the 'ensure continued business justification' principle facilitate?

A. That the project has a business stakeholder to ensure the investment continues to be justified

B. That the project remains desirable, viable and achievable as the project progresses

C. That products delivered by the project meet their quality requirements

D. That the PRINCE2 project management method is suited to the scale of investment

B. Correct. PRINCE2 requires "there must be a justifiable reason for starting the project, and the justification must remain valid... throughout the lifecycle of the project." This is the 'ensure continued business justification' principle. Ref 2.1

3. Which statement describes how the principles support effective project management?

A. They allow the project team to decide how the method should be applied on the project

B. They take into account industry-specific models as PRINCE2 is generic

C. They rely on a common vocabulary that should be applied as defined in PRINCE2

D. They should be applied in the same way across projects within an organization

A. Correct. The principles guide how PRINCE2 can be tailored to best fit a project and its context. “To enable PRINCE2 to be used for such a wide range of projects, the method is flexible in how it can be used for any given project. Rather than prescribing what to do to align the method to the specific project, PRINCE2 offers guidance through principles.” Ref 2

4. An external IT company is being appointed to deliver a new accounting system as part of a project.

Which principle is being applied when agreeing the contract with the IT company?

A. Define roles, responsibilities and relationships

B. Manage by stages

C. Manage by exception

D. Tailor to suit the project

A. Correct. The 'define roles, responsibilities and relationships' principle relates to defining roles and responsibilities within a structure that engages the business, user and supplier interests.

"A PRINCE2 project has defined and agreed roles and responsibilities within an organization structure that engages the business, user and supplier stakeholder interests." Ref 2.3

5. What does the 'manage by exception' principle enable?

A. Decisions to be made by the right people, at the right time

B. The project to deliver benefits required by the business

C. The project team members to understand their contribution to the project

D. The project team to define the scope to be delivered by the project

A. Correct. The ‘manage by exception’ principle reduces time burden for senior management without removing control, by ensuring decisions are made at the right level in the organization. “The implementation of ‘manage by exception’ provides for efficient use of senior management time as it reduces senior managers’ time burden without removing their control. This ensures decisions are made at the right level in the organization.” Ref 2.5

6. The project manager agreed with the team manager that a work package can be delivered up to 1 week later than shown on the team plan.

Which principle is being applied by the project manager?

A. Learn from experience

B. Define roles, responsibilities and relationships

C. Manage by exception

D. Focus on products

C. Correct. The 'manage by exception' principle sets tolerances for the respective level of plan. "A PRINCE2 project establishes limits of delegated authority by defining tolerances for performance against its plans." Ref 2.4

7. Which statement describes the project context?

A. It should be understood by stakeholders so that the principles are applied appropriately

B. It explains how each aspect of project management should be applied for the processes to be effective

C. It guides the progression from pre-project activity through the stages of the project lifecycle

D. It ensures an understanding of the needs of stakeholders, and the relationships between them

A. Correct. The project context is one of the five integrated elements of PRINCE2. It influences how “the principles, practices and processes are applied by the people involved to ensure the method is fit for the project context.” Ref 1.2

8. Which statement about the ‘define roles, responsibilities and relationships’ principle is **CORRECT**?

A. The project management team should consist exclusively of internal stakeholders

B. An organization’s day-to-day management structures are likely to be suited to control the project work

C. The project board should exclude external supplier representatives

D. Suppliers are stakeholders that can be external to the business

D. Correct. Supplier stakeholders can be external to the organization. "Stakeholders can be individuals or groups within or external to the business… stakeholders outside the business could be trade unions, customers, suppliers, communities, interest groups, banks, or the media." Ref 2.3

9. Which statement describes how the principles support effective project management?

A. They allow the project team to decide how the method should be applied on the project

B. They take into account industry-specific models as PRINCE2 is generic

C. They rely on a common vocabulary that should be applied as defined in PRINCE2

D. They should be applied in the same way across projects within an organization

A. Correct. The principles guide how PRINCE2 can be tailored to best fit a project and its context. "To enable PRINCE2 to be used for such a wide range of projects, the method is flexible in how it can be used for any given project.

Rather than prescribing what to do to align the method to the specific project, PRINCE2 offers guidance through principles." Ref 2

PRACTITIONER QUESTIONS

1. The project is in the 'starting up a project' process. The Chair of the User Group has advised that not everyone in the groups affected by discrimination will have access to digital media. So that all homeless people know how to report discriminatory incidents, the Contracted Project Manager has recommended that non-digital methods of communication also be included as part of the project.

Which principle is being applied, and why?

A. 'Focus on products', because the Contracted Project Manager should identify the products needed to deliver the campaign successfully

B. 'Focus on products', because the Contracted Project Manager should estimate the work to deliver the non-digital communications

C. 'Manage by exception', because the project should use a range of different communication channels to deliver the campaign

D. 'Manage by exception', because the Contracted Project Manager should be empowered to make decisions about the detailed work

2. The project executive asked the Contracted Project Manager to implement the chosen option during stage 3 using an iterative-incremental delivery approach. This approach will allow feedback to be gathered as the campaign is expanded and rolled out. This will be a new way of working for NowByou. As a result, the Contracted Project Manager will undertake the role of agile coach during the stage to assist in the use of trials and focus groups.

How well does this apply the 'tailor to suit the project' principle, and why?

A. It applies it well because an additional role of agile coach should be appointed to advise on how to use PRINCE2 alongside agile techniques.

B. It applies it well, because the project management method used on the project should be aligned with NowByou's business processes

C. It applies it poorly, because the Contracted Project Manager should coach the project team members within a separate project

D. It applies it poorly, because the role of coach is not one of the three primary stakeholders whose interests should be represented

3. The project management maturity of NowByou is very low, with no standardized processes or templates. Previous projects have relied heavily on the expertise of CharityM that delivers advertising campaigns on behalf of NowByou. But CharityM do not follow a recognized project management method. As a result, the Contracted Project Manager has been asked to perform the role of coach to the newly appointed project manager from the beginning of stage 2 and throughout the project.

Is this an appropriate application of the 'tailor to suit the project' principle, and why?

A. Yes, because the Contracted Project Manager should be given a role to pass on their skills to the project team, for the benefit of this, and future, projects

B. Yes, because CharityM uses diferent processes and terminology when delivering the advertising campaigns on behalf of NowByou

C. No, because the Contracted Project Manager is unlikely to be available full-time throughout the delivery of the advertising campaign

D. No, because the project manager should manage the relationship with CharityM to deliver the advertising campaign

4. The project is in the 'starting up a project' process. The Contracted Project Manager has recognized that the Campaign against Discrimination Project has a short timescale and is being delivered in three stages. Based on their work on their last project for another NGO, they have recommended that work to analyse options should start during the initiation stage, rather than stage 2. They believe this will save time for the project.

Is this an appropriate application of the 'learn from experience' principle, and why?

A. No, because the project should have two stages including an initiation stage

B. No, because the project should be properly initiated before work starts on options analysis

C. Yes, because experiences from previous projects should be reviewed when starting up a project

D. Yes, because projects are unique and the project team should continue to learn during each of the three stages

5. The project is approaching the end of the 'initiating a project' process and the Chief Finance Officer has secured funding for the project from a few major donors. The Chief Finance Officer will continue to have one-to-one contact with these major donors throughout the project to inform them of progress and how the chosen campaign option will support NowByou's objectives.

Which principle is being applied by the Chief Finance Officer when meeting regularly with the donors, and why?

A. 'Define roles, responsibilities and relationships', because the Chief Finance Officer should build relationships with these major donors throughout the Project

B. 'Define roles, responsibilities, and relationships', because the major donors are business stakeholders whose interests should be represented on the project team

C. 'Ensure continued business justification', because the Chief Finance Officer should justify the project to the major donors to secure the funding

D. 'Ensure continued business justification', because the chosen campaign option should support the business objectives of NowByou

6. NowByou runs consecutive fund-raising campaigns lasting approximately eight weeks each. The success of these campaigns determines the funds available to the organization for the coming months. During the 'initiating a project' process, the project manager is preparing the project plan for the Campaign against Discrimination Project. The project manager has consulted the Chief Finance Officer, who has recommended that the stage ends should coincide with the end of these NowByou fund-raising campaigns. This is to allow the funding of the project to be reviewed based on donations made to NowByou during the previous campaign period.

Is this an appropriate application of the 'manage by stages' principle, and why?

A. Yes, because the Chief Finance Officer should delegate authority to the project manager for managing each stage, based on the defined stage ends

B. Yes, because the project manager should plan the stage ends to take into account the influence that the fund-raising campaigns will have on the project finances

C. No, because the Chief Finance Officer should review the viability of the project more frequently to retain control over the project

D. No, because the project manager should divide the project into shorter stages because the project management maturity of NowByou is low

PRACTITIONER ANSWERS

1. The project is in the 'starting up a project' process. The Chair of the User Group has advised that not everyone in the groups affected by discrimination will have access to digital media. So that all homeless people know how to report discriminatory incidents, the Contracted Project Manager has recommended that non-digital methods of communication also be included as part of the project.

Which principle is being applied, and why?

A. 'Focus on products', because the Contracted Project Manager should identify the products needed to deliver the campaign successfully

B. 'Focus on products', because the Contracted Project Manager should estimate the work to deliver the non-digital communications

C. 'Manage by exception', because the project should use a range of different communication channels to deliver the campaign

D. 'Manage by exception', because the Contracted Project Manager should be empowered to make decisions about the detailed work

A. Correct. As part of the 'focus on products' principle, "Projects that focus on what the project needs to produce are more likely to be efficient and avoid waste than projects that focus primarily on the work activity" under the principle of 'focus on products','PRINCE2 requires projects to be output-oriented rather than work-oriented. PRINCE2 calls these outputs 'products'." Understanding the need for non-digital communications is part of understanding the scope of the project. Ref 2.6

2. The project executive asked the Contracted Project Manager to implement the chosen option during stage 3 using an iterative-incremental delivery approach. This approach will allow feedback to be gathered as the campaign is expanded and rolled out. This will be a new way of working for NowByou. As a result, the Contracted Project Manager will undertake the role of agile coach during the stage to assist in the use of trials and focus groups.

How well does this apply the 'tailor to suit the project' principle, and why?

A. It applies it well because an additional role of agile coach should be appointed to advise on how to use PRINCE2 alongside agile techniques.

B. It applies it well, because the project management method used on the project should be aligned with NowByou's business processes

C. It applies it poorly, because the Contracted Project Manager should coach the project team members within a separate project

D. It applies it poorly, because the role of coach is not one of the three primary stakeholders whose interests should be represented

A. Correct. As part of the 'tailor to suit the project' roles can be tailored. "For example, a supplier may wish to use their in-house product development framework based on an iterative incremental delivery method using agile management approaches. To avoid potential confusion, the project manager might propose to:

Add a coach to guide the teams in working effectively in the combination of PRINCE2 and the supplier's in-house agile method." Here it is NowByou that is seeking to use these agile techniques as part of implementing the campaign. Ref 2.7

3. The project management maturity of NowByou is very low, with no standardized processes or templates. Previous projects have relied heavily on the expertise of CharityM that delivers advertising campaigns on behalf of NowByou. But CharityM do not follow a recognized project management method. As a result, the Contracted Project Manager has been asked to perform the role of coach to the newly appointed project manager from the beginning of stage 2 and throughout the project.

Is this an appropriate application of the 'tailor to suit the project' principle, and why?

A. Yes, because the Contracted Project Manager should be given a role to pass on their skills to the project team, for the benefit of this, and future, projects

B. Yes, because CharityM uses diferent processes and terminology when delivering the advertising campaigns on behalf of NowByou

C. No, because the Contracted Project Manager is unlikely to be available full-time throughout the delivery of the advertising campaign

D. No, because the project manager should manage the relationship with CharityM to deliver the advertising campaign

A. **Correct.** As part of the 'tailor to suit the project' principle, "The purpose of tailoring is to ensure that: the project management method used is appropriate to the project ... ; project controls are appropriate to the project's scale, complexity, importance, team capability and risk." This can include changing the terminology or appointing additional roles, for example. Ref 2.7

4. The project is in the 'starting up a project' process. The Contracted Project Manager has recognized that the Campaign against Discrimination Project has a short timescale and is being delivered in three stages. Based on their work on their last project for another NGO, they have recommended that work to analyse options should start during the initiation stage, rather than stage 2. They believe this will save time for the project.

Is this an appropriate application of the 'learn from experience' principle, and why?

A. No, because the project should have two stages including an initiation stage

B. No, because the project should be properly initiated before work starts on options analysis

C. Yes, because experiences from previous projects should be reviewed when starting up a project

D. Yes, because projects are unique and the project team should continue to learn during each of the three stages

C. Correct. According to the 'learn from experience' principle, "when starting a project - previous or similar projects should be reviewed to see if lessons could be applied. If the project is a 'first' for the people within the business or if there is any content which is new or novel, then it is even more important to learn from others. This could include projects delivered by people or organizations external to the business to identify relevant lessons." Ref 2.2

5. The project is approaching the end of the 'initiating a project' process and the Chief Finance Officer has secured funding for the project from a few major donors. The Chief Finance Officer will continue to have one-to-one contact with these major donors throughout the project to inform them of progress and how the chosen campaign option will support NowByou's objectives.

Which principle is being applied by the Chief Finance Officer when meeting regularly with the donors, and why?

A. 'Define roles, responsibilities and relationships', because the Chief Finance Officer should build relationships with these major donors throughout the Project

B. 'Define roles, responsibilities, and relationships', because the major donors are business stakeholders whose interests should be represented on the project team

C. 'Ensure continued business justification', because the Chief Finance Officer should justify the project to the major donors to secure the funding

D. 'Ensure continued business justification', because the chosen campaign option should support the business objectives of NowByou

A. Correct. According to the 'define roles, responsibilities and relationships' principle, "a PRINCE2 project management team initiates and builds relationships with and between internal and external stakeholders." This should include building efective relationships with the major donors. Ref 2.3

6. NowByou runs consecutive fund-raising campaigns lasting approximately eight weeks each. The success of these campaigns determines the funds available to the organization for the coming months. During the 'initiating a project' process, the project manager is preparing the project plan for the Campaign against Discrimination Project. The project manager has consulted the Chief Finance Officer, who has recommended that the stage ends should coincide with the end of these NowByou fund-raising campaigns. This is to allow the funding of the project to be reviewed based on donations made to NowByou during the previous campaign period.

Is this an appropriate application of the 'manage by stages' principle, and why?

A. Yes, because the Chief Finance Officer should delegate authority to the project manager for managing each stage, based on the defined stage ends

B. Yes, because the project manager should plan the stage ends to take into account the influence that the fund-raising campaigns will have on the project finances

C. No, because the Chief Finance Officer should review the viability of the project more frequently to retain control over the project

D. No, because the project manager should divide the project into shorter stages because the project management maturity of NowByou is low

B. Correct. The 'manage by stages' principle "allows clarification of what the impact will be of an identified external influence, such as the organizational budget setting process." The end of a fund-raising campaign determines NowByou's budget for the coming months. Ref 2.4