



PRINCE2[®]

7th Edition

Masterclass

Handbook



Handbook 10

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

PRINCE2® Seventh Edition Masterclass

Module 10

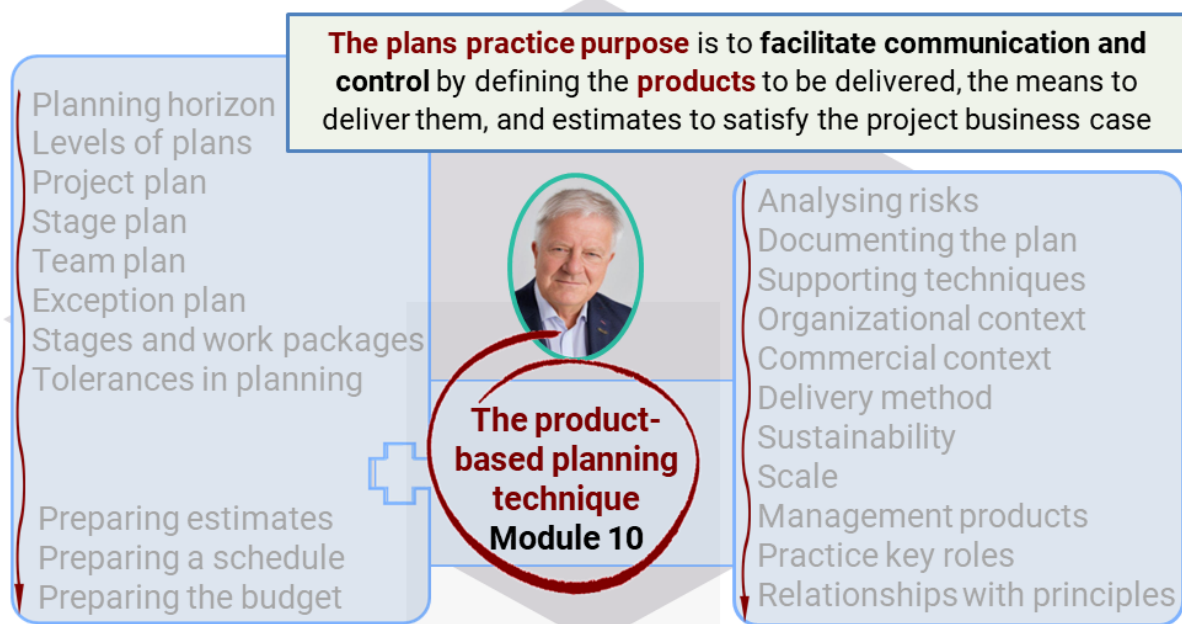
Lesson 1

Product-based planning

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

PRINCE2 7th Edition

The plans practice – Module 11



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

PRINCE2 7th Edition

PBP Technique Learning Outcomes

FOUNDATION: Explain the purpose of the key management products required to support the plans practice:

▪ Work package description

▪ Project product description

Define key concepts related to the plans practice:

▪ dependency
▪ scope

Describe the guidance for effective management of plans:

▪ product-based planning

Describe the PRINCE2 technique for the plans practice

PRACTITIONER:

Apply the PRINCE2 plans practice, demonstrating an understanding of:

▪ Project product description

▪ Work package description



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

PRINCE2 7th Edition

Product-based planning syllabus

By the end of Module 10, you will understand:

The product-based planning technique
The PRINCE2 product focus
Defining and analysing the products
Writing the project product description
Creating a product breakdown structure
Writing product descriptions
Creating a product flow diagram
Organizing work packages
Product dependencies



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

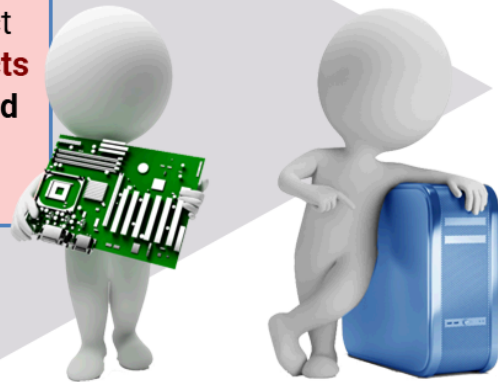
PRINCE2 7th Edition The product-based planning technique - 1

Focus on products is a principle of **PRINCE2**

This means that **planning** in **PRINCE2** focuses on identifying the **required products first** and then determining the most effective way to deliver them

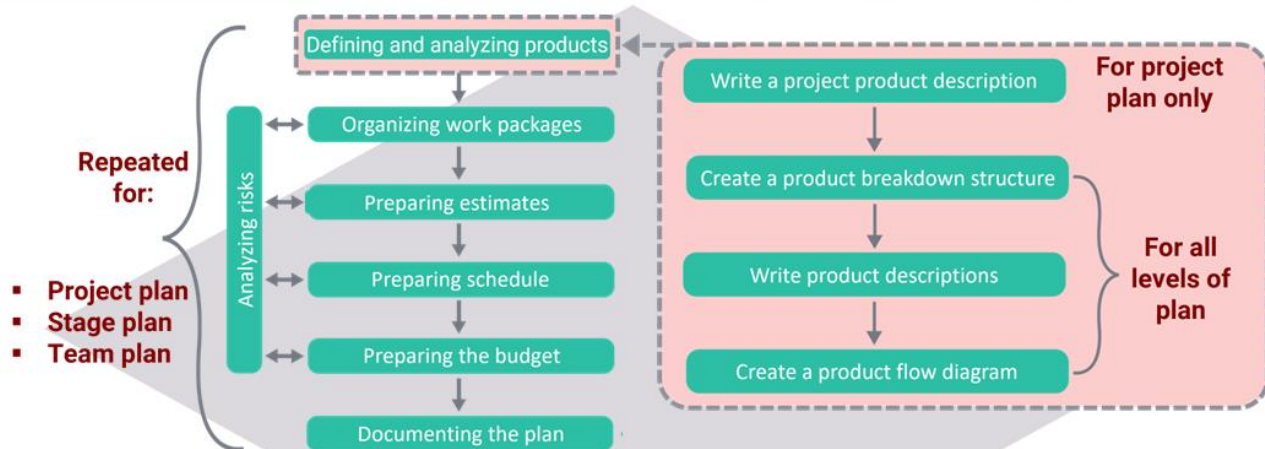
Users tend to care most about the project **outputs** they expect, so a **focus on products** helps the **project management team avoid activities** that do not contribute in a substantive way to the **required outputs**

Focus on products also helps the **project manager** know where to start when developing **plans**



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

PRINCE2 7th Edition The product-based planning technique - 2



This technique covers the **project plan, stage plans, team plans, and exception plans**

An alternative planning procedure can be used, i.e., if the business has developed an organization-specific process, but if so, this should be documented within the **project initiation documentation** tailoring decisions

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

PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 10

Lesson 2

PRINCE2 product focus

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

PRINCE2 7th Edition

Product-based planning benefits - 1

Full involvement of users in defining the products and their quality requirements sets expectations and buy-in



Scope boundary clarification provides a solid foundation for change control – avoiding the dreaded '**scope creep**'



A product breakdown structure is useful for describing the products to be delivered and their essential components



Each product is divided into its component elements and the requirements for those elements are collected

The **Product Breakdown Structure** and **Product Flow Diagram** provide a simple and powerful method of communicating the scope and approach options

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

PRINCE2 7th Edition

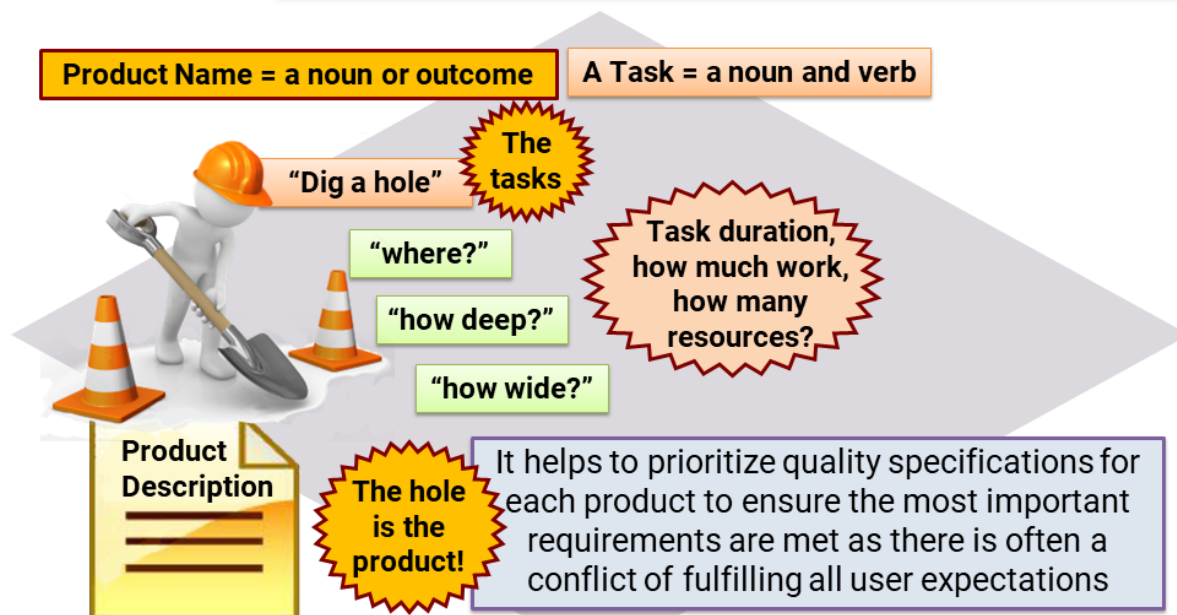
Product-based planning benefits - 2



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

PRINCE2 7th Edition

The PRINCE2 product focus - 1



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

PRINCE2 7th Edition

The PRINCE2 product focus - 2

Outputs are the **specialist products** that will be used to **enable change**, and provide the **capabilities** required to deliver an **outcome**, normally affecting real-world behaviour and circumstances

When the **project products** are understood, it is easier to determine the:

the **project approach**
realistic timelines

people and resources

likely risks and issues

Product-based planning reduces the risk of **scope** being neglected or overlooked by clearly and consistently identifying and documenting the **plan products** and their **interdependencies**

It also helps provide **agreement** on project **scope**



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

PRINCE2 7th Edition

The PRINCE2 product focus - 3

Product-based planning simplifies the identification and sequencing of **work packages**

Product-based planning is applied to project, stage and team plan levels

Product-based planning helps **exception plans** focus on **resolving** the exception with **minimal impact** on cost and schedule

Product-based planning starts with the definition and analysis of required products as the planning starting point ...

... and derives the plan supporting elements of the plan from these **product descriptions**, such as the **work breakdown structure**, **estimates**, and **project schedule**



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

PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 10

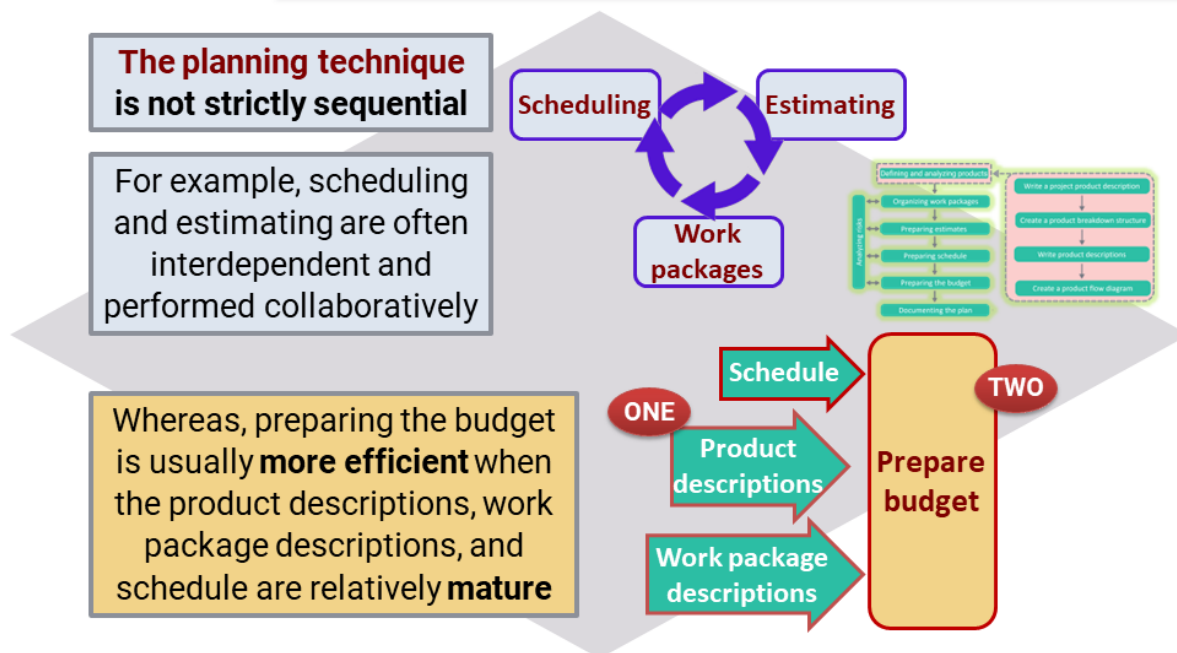
Lesson 3

Planning focus and the project product description

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

PRINCE2 7th Edition

Planning sequence options - 1



PRINCE2 7th Edition

Planning sequence options - 2

The **project management team** or **team manager** should focus on the **products** associated with each **plan**, determine the necessary **activities and resources**, prepare a realistic **schedule**, and analyse the associated **risks**

Stage and team plans are more limited in **scope** than the project plan but may be more **detailed**

For example, a **project plan** schedule may represent a month or week level timeline, while a **stage plan** may represent a week or day level timeline



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

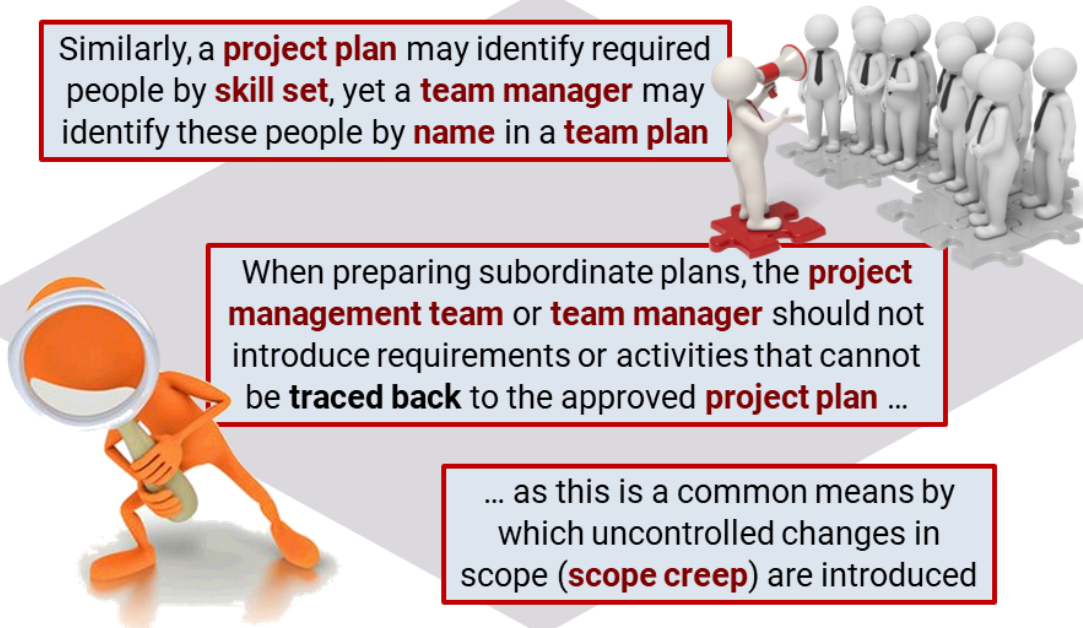
PRINCE2 7th Edition

Planning sequence options - 3

Similarly, a **project plan** may identify required people by **skill set**, yet a **team manager** may identify these people by **name** in a **team plan**

When preparing subordinate plans, the **project management team** or **team manager** should not introduce requirements or activities that cannot be **traced back** to the approved **project plan** ...

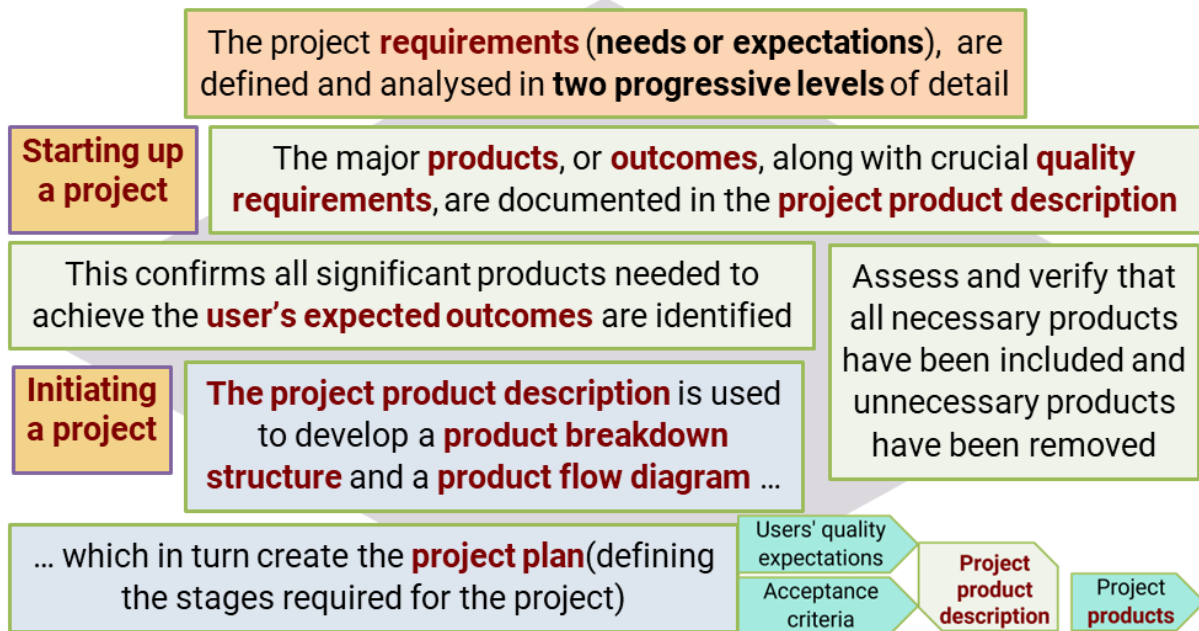
... as this is a common means by which uncontrolled changes in scope (**scope creep**) are introduced



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

PRINCE2 7th Edition

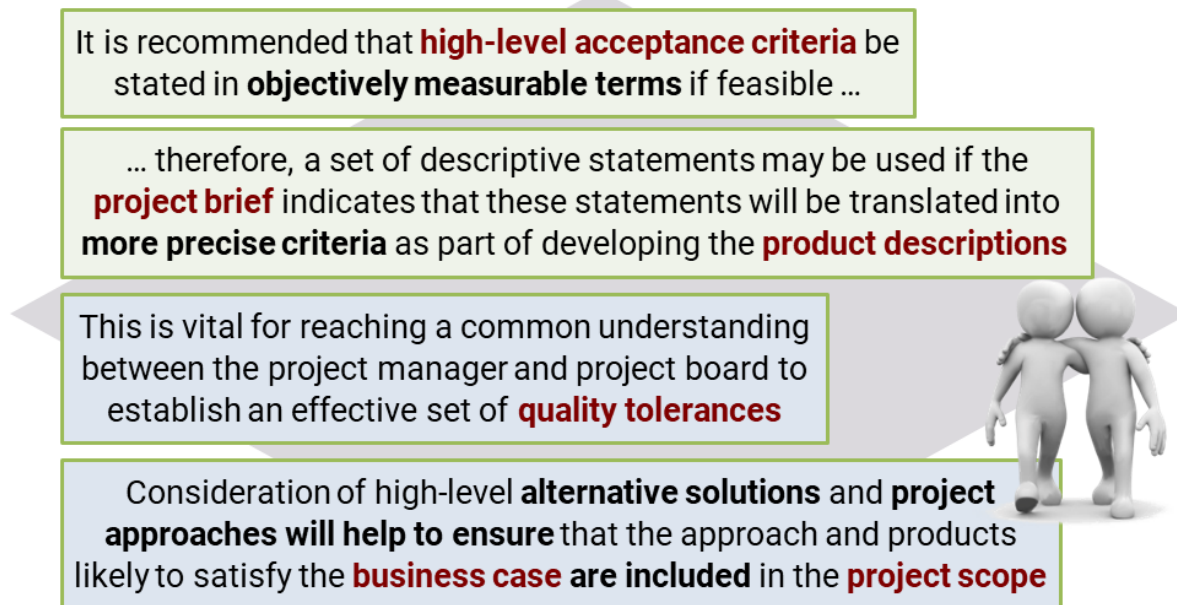
Writing the project product description - 1



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

PRINCE2 7th Edition

Writing the project product description - 2



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

PRINCE2 7th Edition

The project product description - 1

Describes the project's **major products** and intended purpose, including the user's quality expectations, the acceptance criteria, and acceptance methods for the project

Created in the **starting up a project** process and refined during the **initiating a project** process

Purpose:

A description of what the **project products** will fulfil and who will use them

Major products:

A description of the major products to be delivered

Derived from:

What the products are based on, such as existing products or a requirement for a new capability



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

PRINCE2 7th Edition

The project product description - 2

Users' quality expectations:

Description of the quality expected of the project products and the standards and procedures that will need to be applied to achieve them

Acceptance criteria:

A prioritized list of criteria that the project products must meet to be accepted by the user

Acceptance methods and responsibilities:

How **acceptance** will be confirmed, and the **people** responsible for the acceptance decisions will be determined

Project level quality tolerances:

Any tolerances that apply to the acceptance criteria



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

PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 10

Lesson 4

The product breakdown structure – Part ONE

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

PRINCE2 7th Edition

The product breakdown structure function

Allows **requirements** specific to one product or component to be **grouped** together in a logical manner

Take a house for example, the requirements for the plumbing are **closely interrelated**, whereas the requirements for wall finishings are **largely independent** of those for the plumbing

Another **PBS** function is to **group requirements** related to the same procurement or delivery method

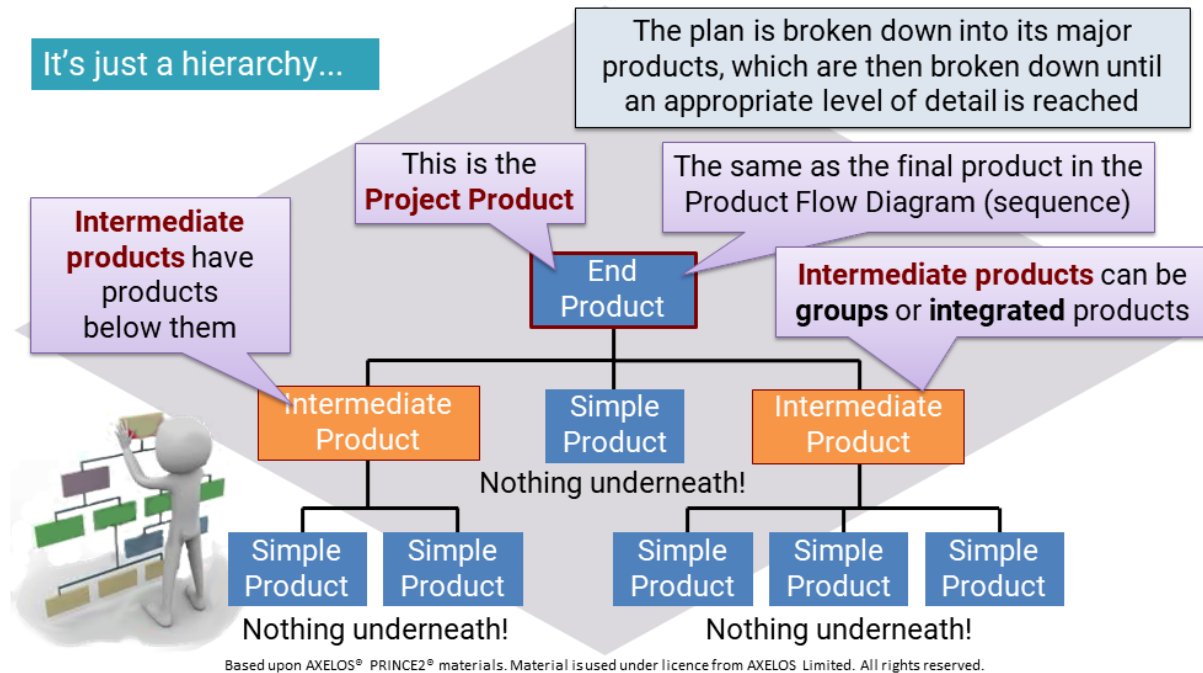
In the house example, the **land** is likely purchased in a different way and from a different source than the **construction** of the house



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

PRINCE2 7th Edition

The product breakdown structure

PRINCE2 7th Edition

External products - 1

Externally sourced products need to be identified:

hired directly from a supplier

purchased

created by other projects

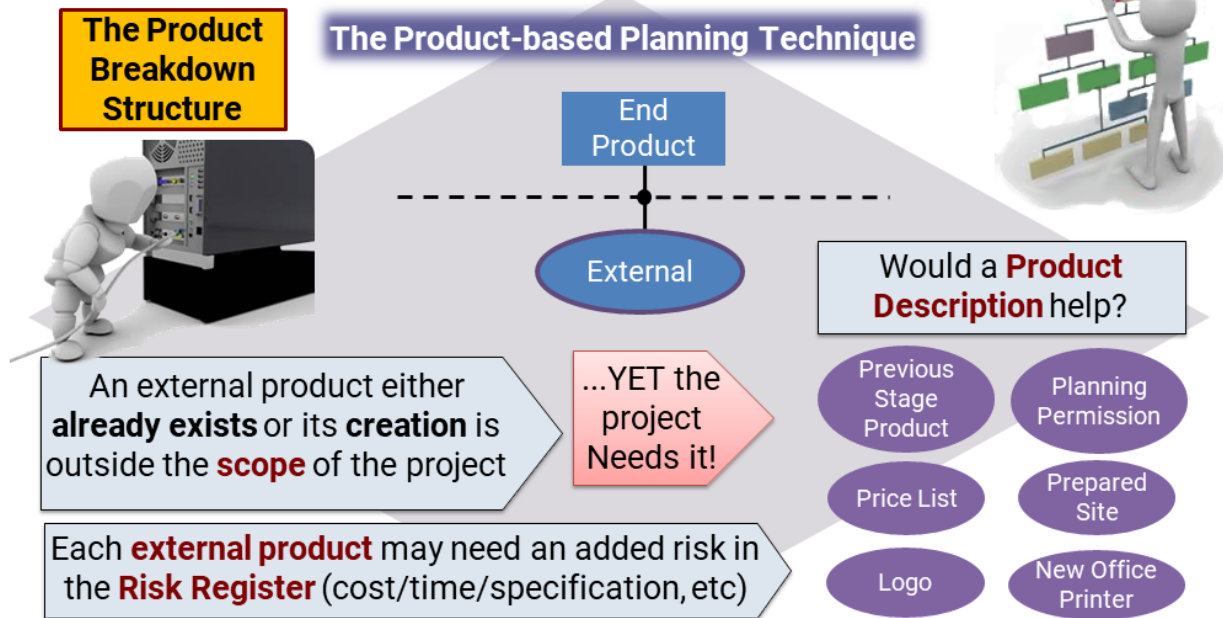
The **Project Manager** is not responsible for the **creation** of **externally sourced products**

The **project team** are responsible for those products created using **externally sourced products**

External products have **risks**, so consider their delay or specification threats

PRINCE2 7th Edition

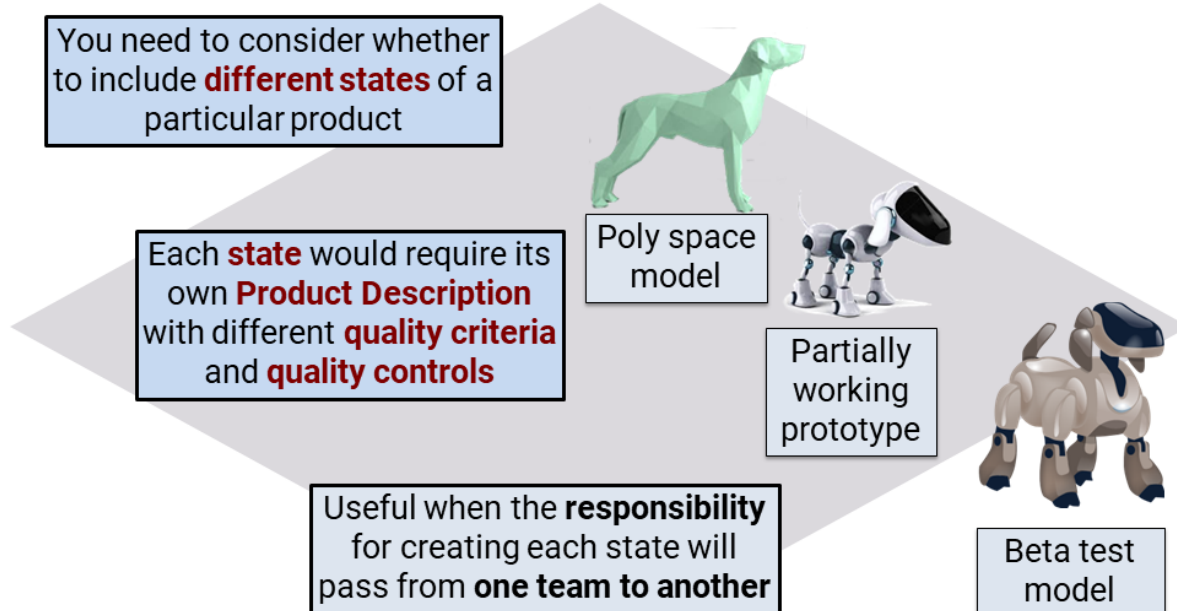
External products - 2



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

PRINCE2 7th Edition

Product states - 1



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

PRINCE2 7th Edition

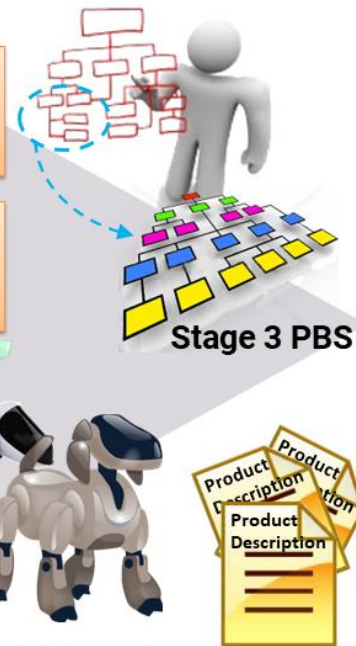
Product states - 2

Or perhaps, a single **Product Description** could be used with a set of **quality criteria** that the product needs to meet to gain approval **for each state**

The products for each stage are extracted from the **Product Breakdown Structure** to form a **management stage product breakdown structure**

Extra products may be realized as more levels of detail are formed

For consistency, take care to use the **same names** in the **Stage Plans** as was used in the **Project Plan**



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

PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 10

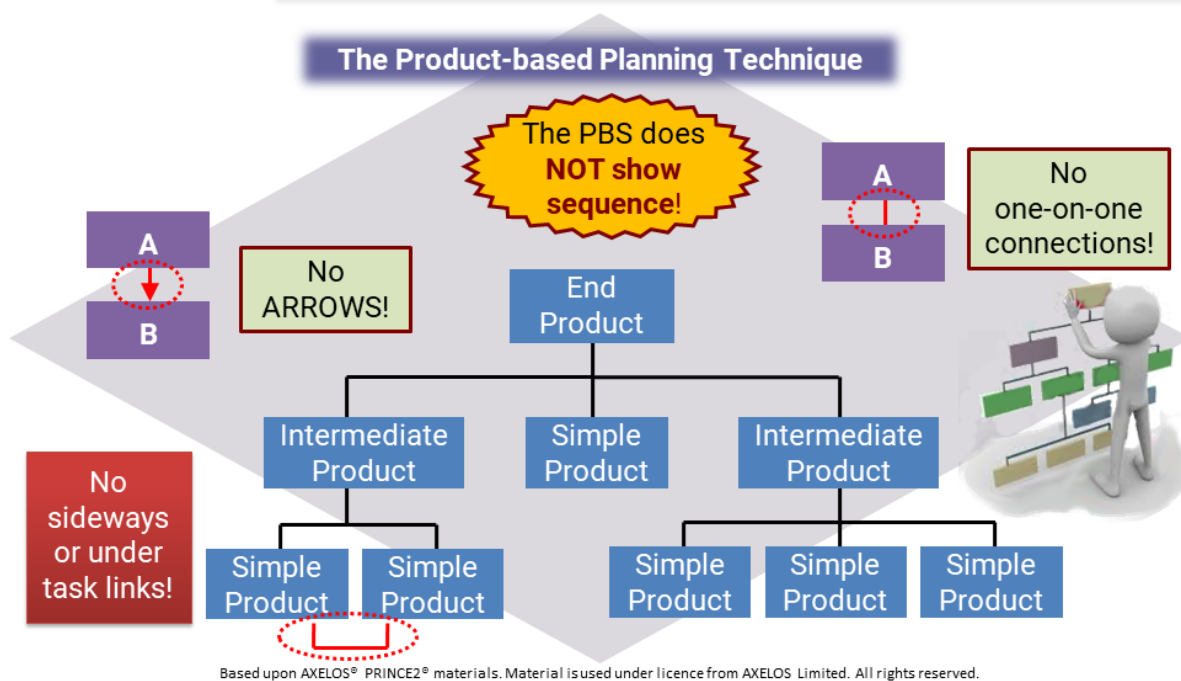
Lesson 5

The product breakdown structure – Part TWO

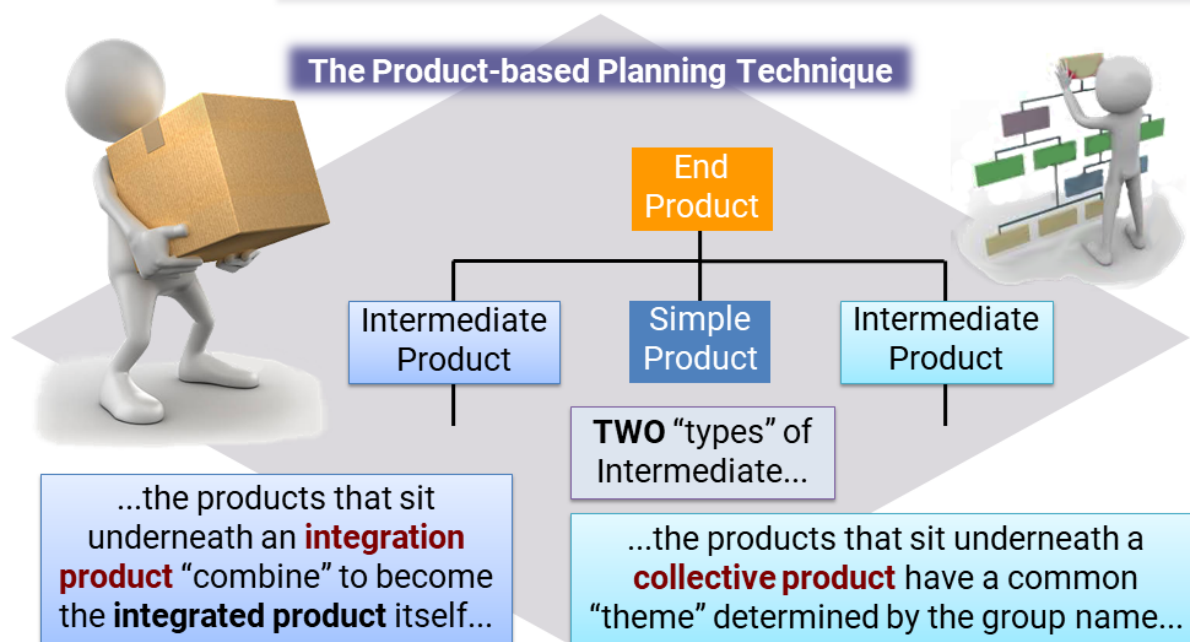
Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PBS guidelines

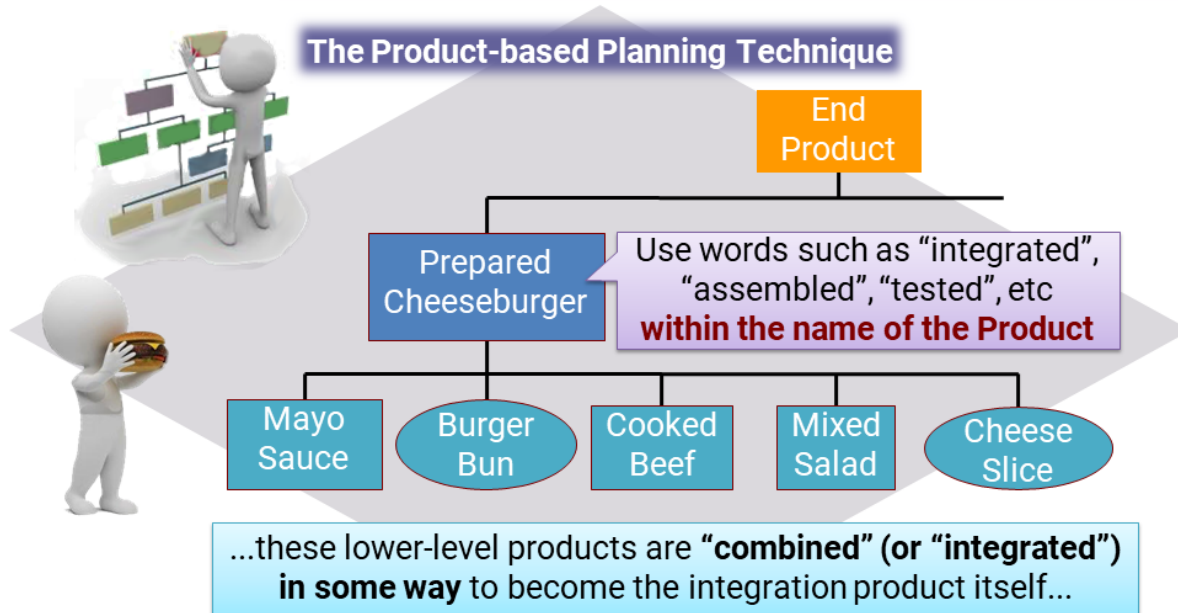
PRINCE2 7th Edition

Intermediate products - 1



PRINCE2 7th Edition

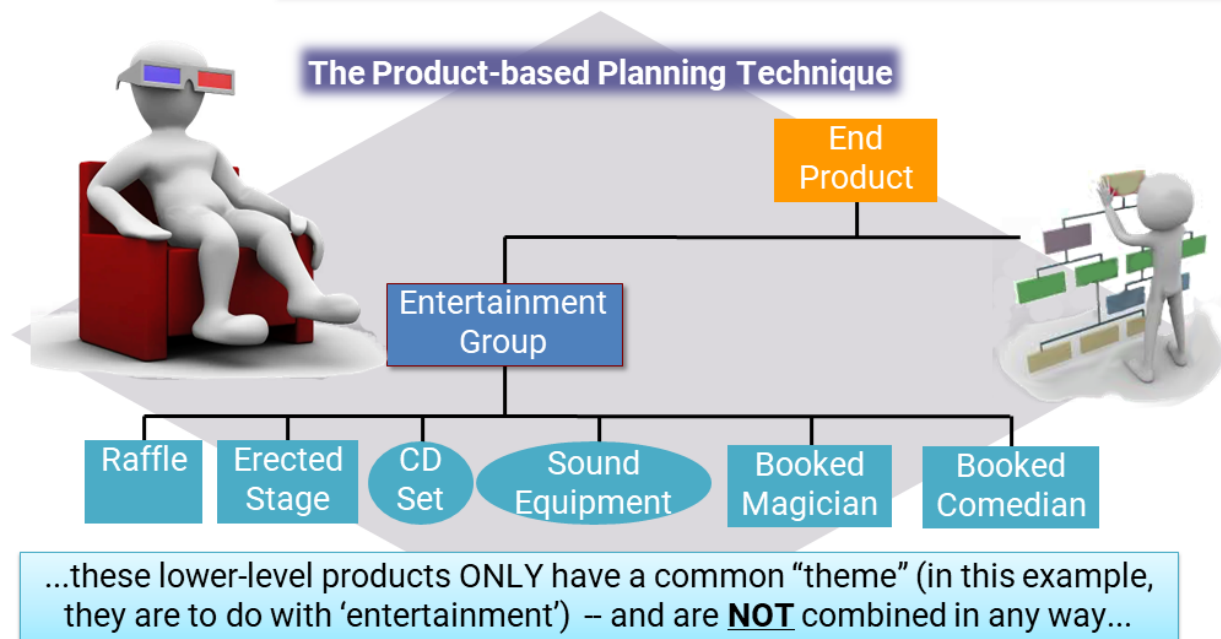
Intermediate products - 2



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

PRINCE2 7th Edition

Intermediate products - 3

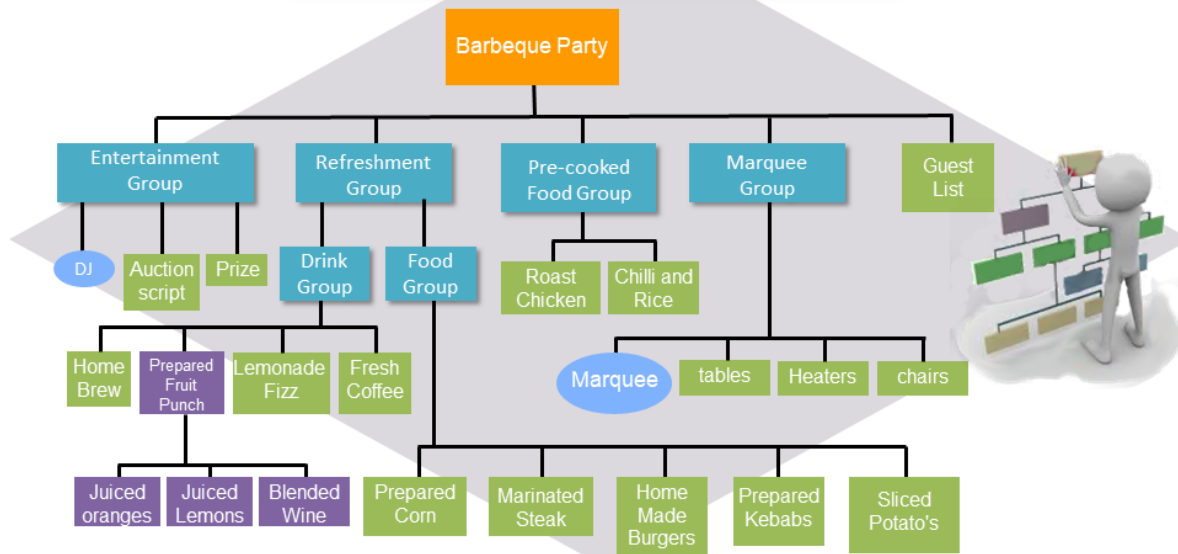


Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

Product breakdown structure example

The Product-based Planning Technique

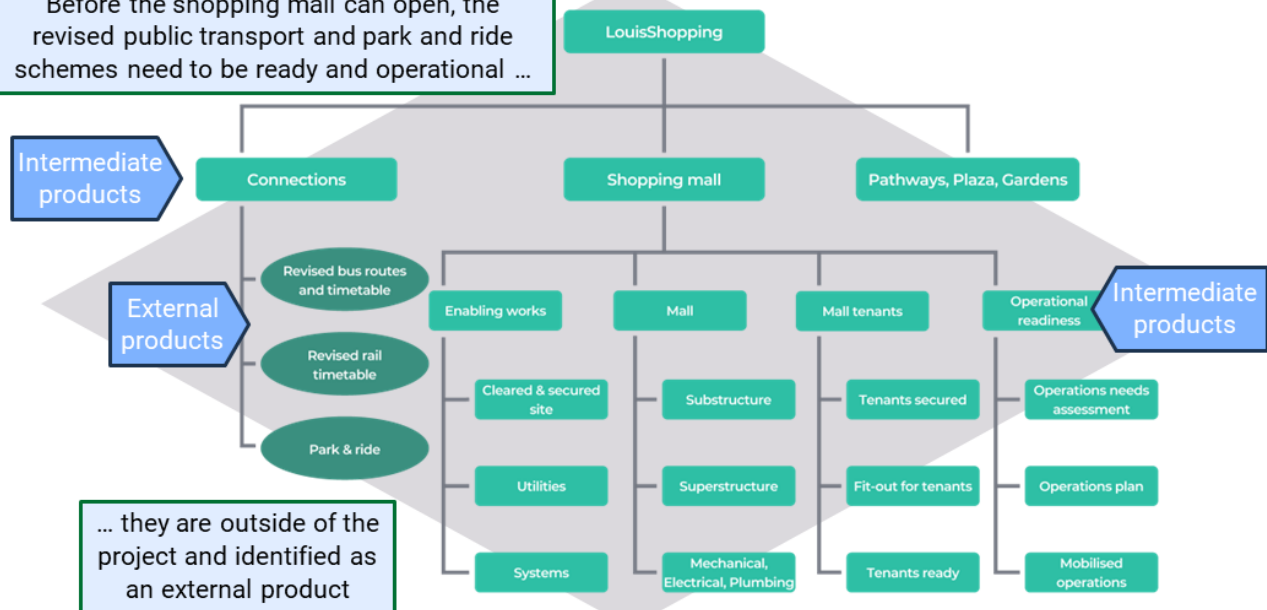


Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

PBS shopping Mall example

Before the shopping mall can open, the revised public transport and park and ride schemes need to be ready and operational ...



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

PRINCE2 7th Edition

PRINCE2[®] Seventh Edition Masterclass

Module 10

Lesson 6

The product flow diagram – Part ONE

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

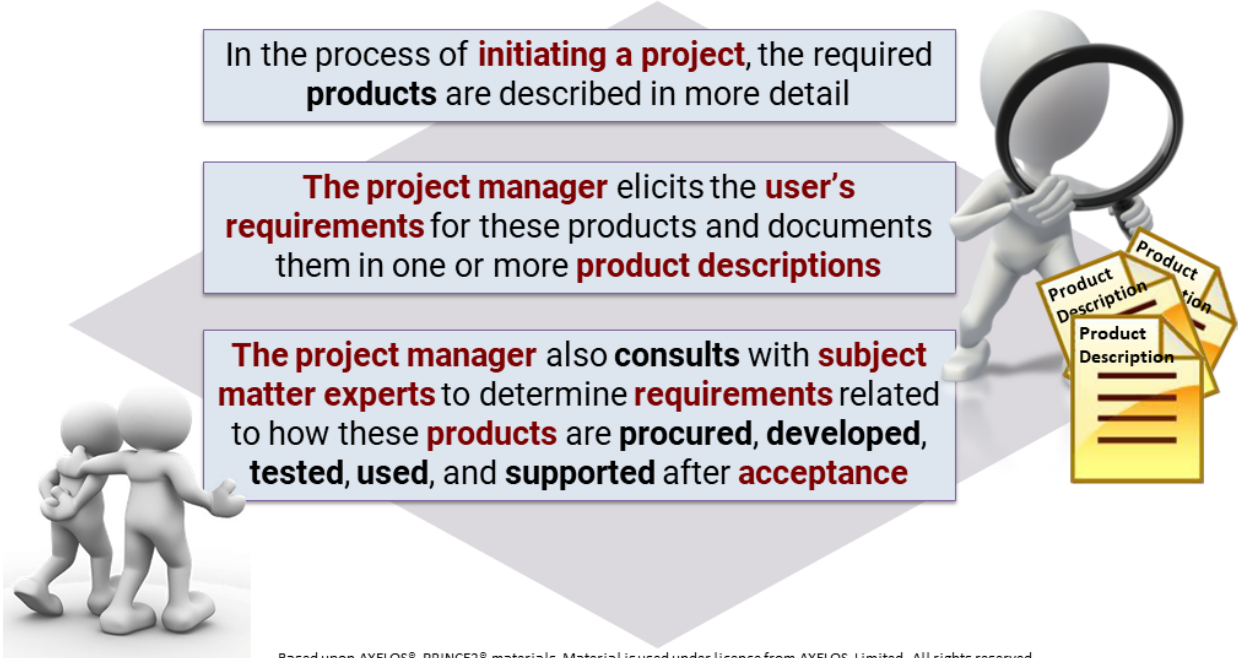
PRINCE2 7th Edition

Creating a product description - 1

In the process of **initiating a project**, the required **products** are described in more detail

The **project manager** elicits the **user's requirements** for these products and documents them in one or more **product descriptions**

The **project manager** also **consults** with **subject matter experts** to determine **requirements** related to how these **products** are **procured, developed, tested, used, and supported** after **acceptance**



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

PRINCE2 7th Edition

Creating a product description - 2

The aim of this more detailed step is to confirm that the **requirements** for the **major products** have been described in sufficient detail to enable **realistic scheduling and estimation**

The **definition and analysis of products** may be an **iterative procedure**

Defining and analyzing products

linear-sequential project

The **product descriptions** should be sufficiently detailed to enable costs and time to be estimated at an appropriate level of **confidence**

Iterative-incremental project

The **detailed requirements** for products may be developed in parallel with the products themselves, and a **high-level set of product descriptions** may be sufficient to proceed with the stage in which they are to be developed

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

PRINCE2 7th Edition

Creating the product flow diagram - 1

The **product flow diagram** shows the **production sequence** and **interdependencies** of the **products** listed in a **product breakdown structure**

Developing the **product breakdown structure** is crucial as it helps identify product dependencies

When transferred to the **product flow diagram**, these **dependencies** ensure smooth project execution and minimize risks

Sometimes **intermediate products** will need to be created as an essential input to the delivery of another product but are **not intended for use by the user**

i.e., producing a **prototype** can reduce **full-scale production risk**, but is only the input to the **full-scale production stage**

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

PRINCE2 7th Edition

Creating the product flow diagram - 2

The **product flow diagram** and **breakdown structure** must include **intermediate** and **final products** and any **dependencies** on **external products** outside the plan's scope



The **product flow diagram** is not just a visual representation of the activities required to deliver the products. It also aids in **estimating**, **scheduling**, and understanding the project's **timeline** and **dependencies**



It provides a clear picture of the **project's progress** and **potential risks**, helping project managers make informed decisions and ensure **successful project delivery**

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

PRINCE2 7th Edition

Creating the product flow diagram - 3

Clearly defining the **project's deliverables** makes the project easier to **manage and control**, ensuring that it **stays on track** and delivers the **expected outcomes**

Creating the product flow diagram is a **collaborative** process involving consultation with **subject matter experts**



This inclusive approach ensures that **all perspectives** are considered, making the **team** feel **involved** and **valued** in **delivering** and **accepting** the required **products**

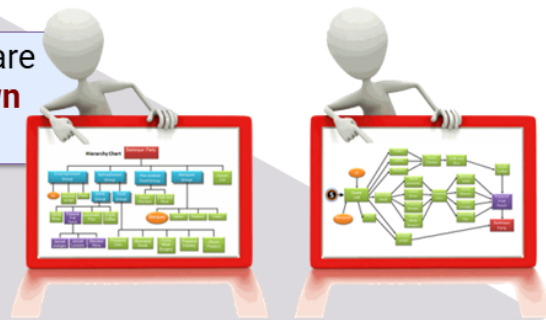
Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

Creating the product flow diagram - 4

The **project manager** and **senior user** are crucial in using the **product breakdown structure** and **product flow diagram**

This tool allows them to identify when **project outputs** (the **products**) will begin to affect **outcomes** and enable the user to start measuring the **realization of benefits**



This empowerment makes them feel important and **integral** to the **project's success**

It can be helpful to distinguish **products** by which **stage** they are completed, for example, by **colour**

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

PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 10

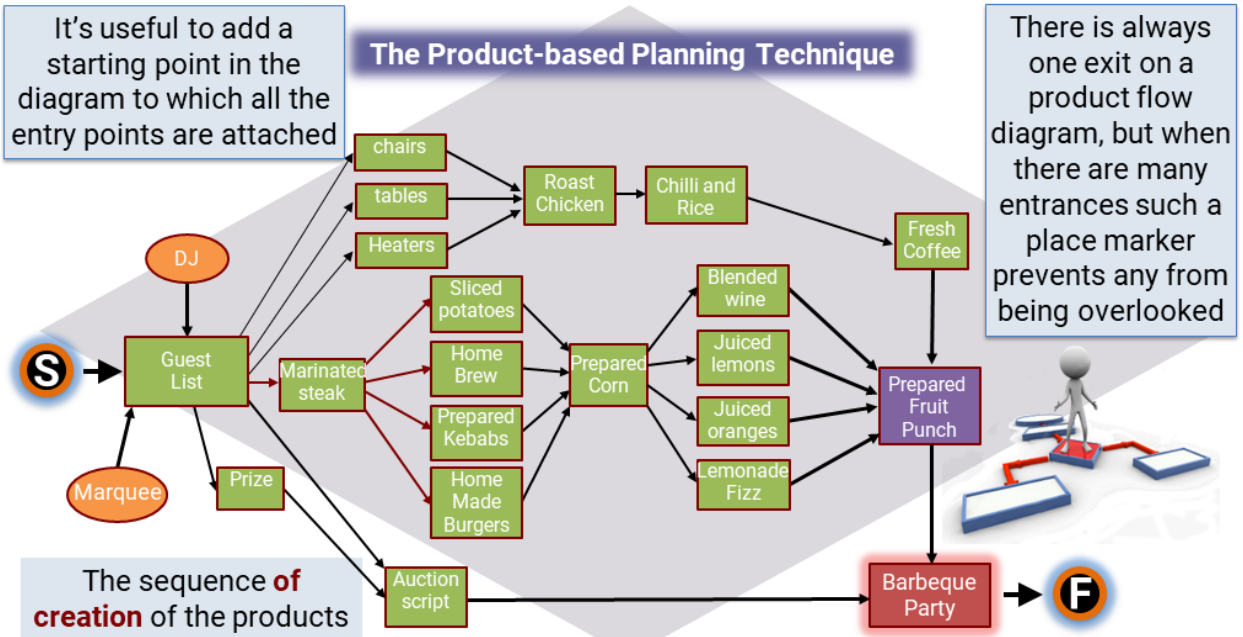
Lesson 7

The product flow diagram – Part TWO

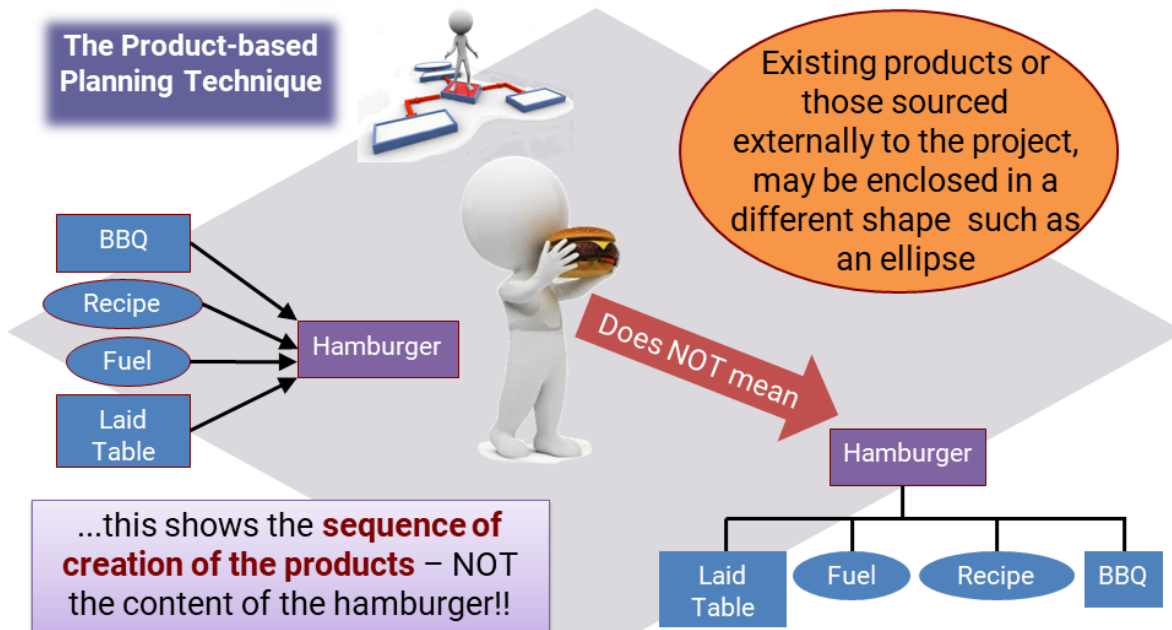
Based upon AXELOS® PRINCE2® materials. Material is used under licence from AXELOS Limited. All rights reserved.

PRINCE2 7th Edition

The product flow diagram

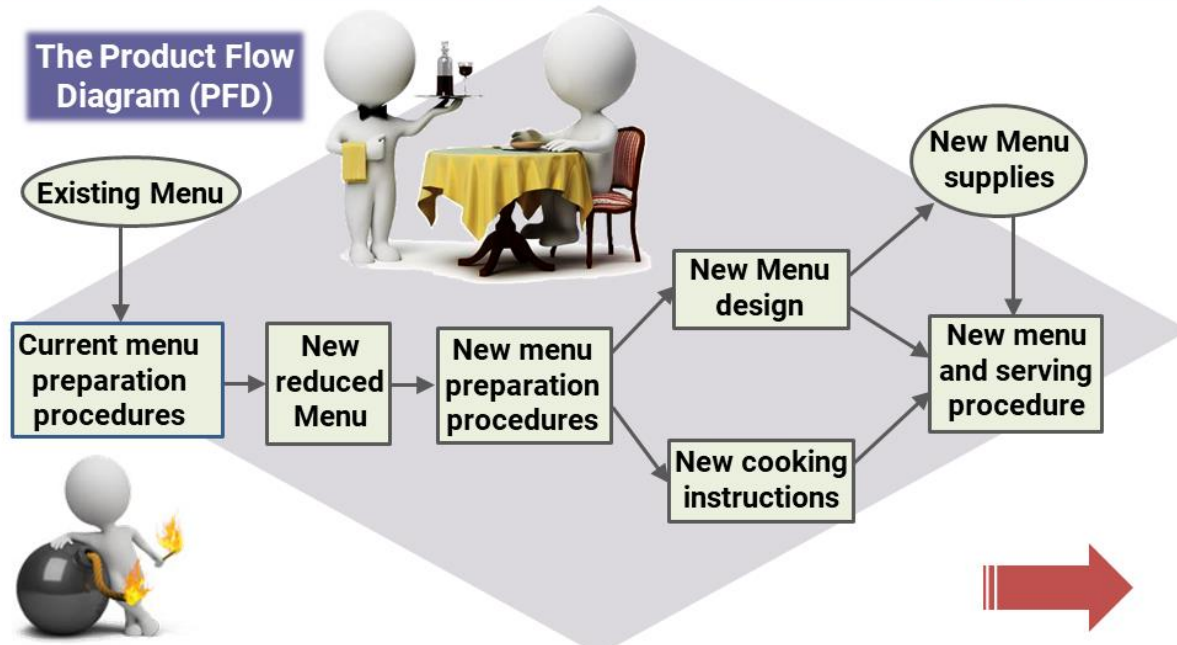
PRINCE2 7th Edition

Product flow diagram guideline

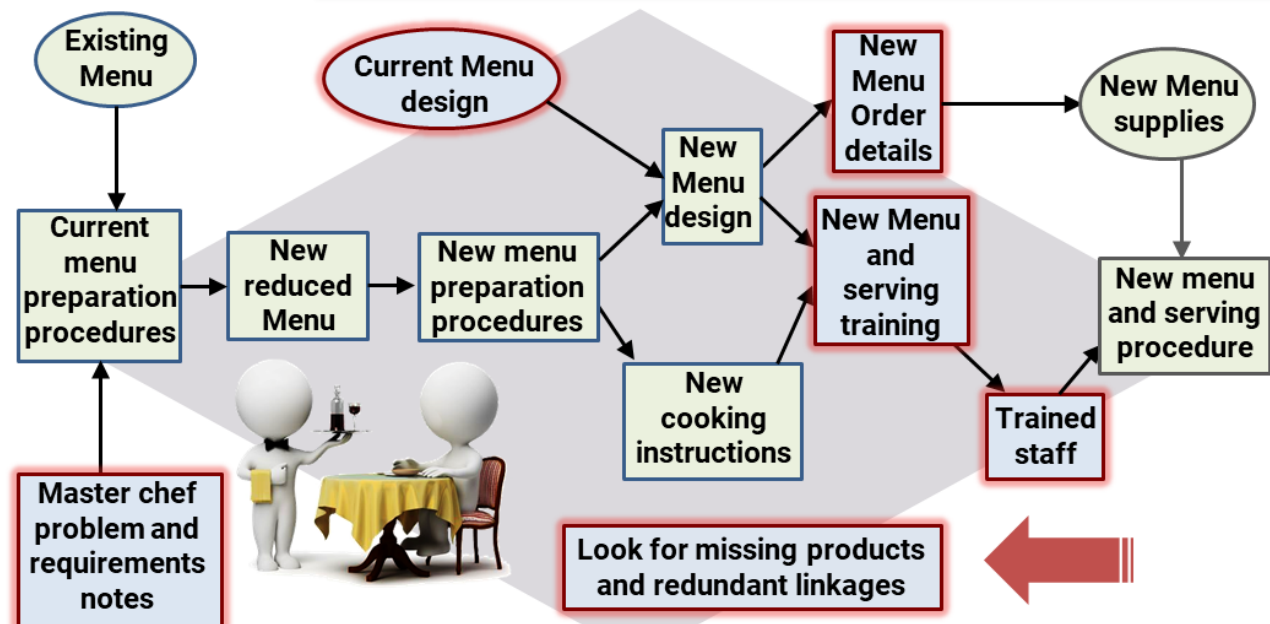


PRINCE2 7th Edition

Restaurant re-launch project

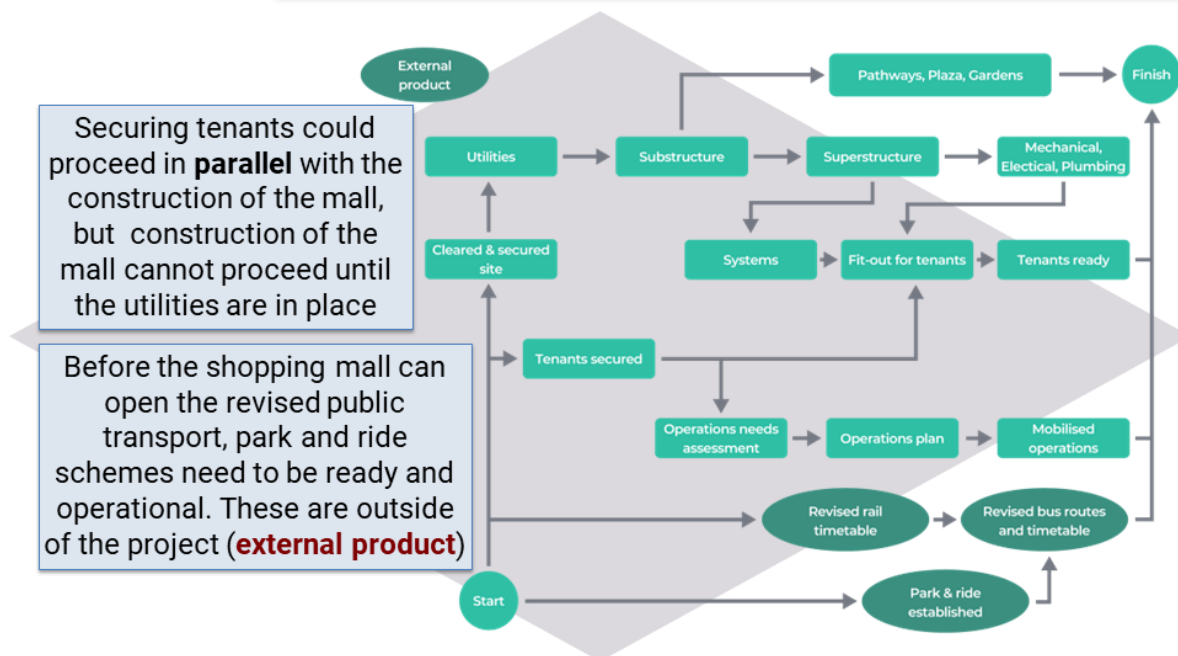
PRINCE2 7th Edition

Restaurant project after backward checks



PRINCE2 7th Edition

Louistown City Council Flow Diagram

PRINCE2 7th Edition

PROJEX ACADEMY

PRINCE2® Seventh Edition Masterclass

Module 10

Lesson 8

Organizing work packages

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

PRINCE2 7th Edition

Organizing work packages - 1

The **product flow diagram** helps the project management team decide whether the project should be delivered **linear-sequential** or **iterative-incremental**

When the delivery method is decided, the delivery activities involved in each product can be identified and organized into **work packages**



A well-structured **work breakdown structure** is not just a list of tasks, it's a tool that provides a clear understanding of the **project's scope and boundaries**



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

PRINCE2 7th Edition

Organizing work packages - 2

Each **work package** should combine closely related people, resources, and delivery activities

It should create **at least one** required **end product**, or an **intermediate product** needed as input to a **subsequent work package**

If a **work package** depends on the delivery of a **product** from another **work package** or an activity **outside the project's scope**, this relationship is considered a **dependency**



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

PRINCE2 7th Edition

Product dependency

A **dependency** means that **one product is dependent on another**, and there are at least **two** types of dependency relevant to a project: **internal and external**

Internal dependency:

an internal dependency is one **between two project products**, in these circumstances, the **project team** has control over the dependency

External dependency:

an external dependency is **between a project product and a product or activity outside the project's scope**, here, the project team does not have **complete control** over the **dependency**

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

PRINCE2 7th Edition

PRINCE2 work packages - 1

The associated **work package description** must document all **dependencies** in the **product flow diagram**

The **totality of the work packages** should comprise the full delivery **scope of the project**

Regardless of whether a **contract** is involved in the delivery of a work package, a work package description is considered an **agreement** between the **project manager** and the **team manager** responsible for the **work package**

Although work packages are often interrelated, the project manager should ensure **no overlap in the scope** of any two work packages, as this could incur unnecessary costs and create potential **conflicts between teams**



There should be no gaps between the **product flow diagram**, the **product breakdown structure**, and the **complete set of work packages**

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

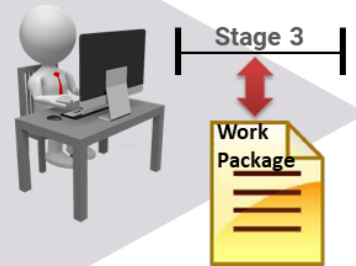
PRINCE2 7th Edition

PRINCE2 work packages - 2

The **work breakdown structure** creates a link between the **work packages** and the **product breakdown structure**, supporting the project manager in determining how to **structure project teams and the boundaries between them**



Organizing **project management activities** into a **single work package for each stage** can be helpful, even if these activities are not part of the project budget, as this helps document all **project management tasks** and shows the relationship between **stages, milestones**, and **activities purely about product delivery**



The **work breakdown structure** has several applications in the PRINCE2 planning technique, as it supports **project organization** by **mapping work packages** to the teams or suppliers responsible for delivering the **associated products**

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

PRINCE2 7th Edition

PRINCE2 work packages - 3

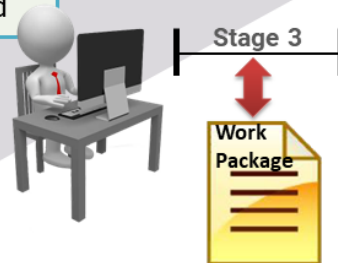
This application is beneficial when a project has a **mix of work packages**, with one or more being delivered through **internal staff** and others by **external suppliers**

Where people represent a significant element of the project's costs, the **work breakdown structure** allows labour costs to be described in terms of types of skills, level of effort, and duration of effort

The **WBS** helps develop team plans, detailing work to deliver the products regarding tasks and the team members assigned

This **instils confidence** in the team, reassuring them of their project management abilities

The **WBS is optional** for simple projects with one or two products or work packages and **small delivery teams**



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

PRINCE2 7th Edition

Well Done! on completing Module 10!

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	

Don't forget to carry out the module workshops!

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



PRINCE2 7th Edition Module 10 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. Describe in your own words, the focus on products principle
2. What is the name of the step in creating a plan that describes the product-based planning technique?
3. What is the name of the product-based planning step that is only used for the project plan?
4. Can you name the four product-based planning steps in their suggested sequence?
5. Name TWO benefits of the product breakdown structure
6. What is the difference between a product and an activity?
7. Suggest TWO recommendations for planning sequence options
8. Suggest the differences between a project plan and a stage plan
9. Describe what information would be included in the project product description
10. What is the difference between the user's quality expectations and acceptance criteria

11. Describe the Two types of intermediate products and then differentiate them from a simple product
12. Give examples of an external product
13. What is meant by product states, and explain the advantages in using these within product-based planning
14. Explain the differences in creating a product description for a linear sequential project and an iterative incremental project
15. What are the advantages of doing a forward and backward check on a product flow diagram?
16. What advantages does the use of work packages bring in product-based planning?
17. Describe the differences between an internal and external dependency
18. Describe some of the many benefits a work package can bring to project planning

“
