PRINCE2 Coach – PRINCE2 Principles

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PRINCE2 Principles

The first integrated element of PRINCE2 is the principles. You can think of these as the core guiding concepts that the rest of PRINCE2 adheres to. If a project management team is not practising all of the principles, it is not a PRINCE2 project.

There are seven PRINCE2 principles. An example could be "learn from experience ", which means that before anything is done to manage a project, it is always worth considering any prior experience that might be useful.

I will now describe each principle in turn:

Continued business justification

The principle of continued business justification ensures there is a documented justification for starting a project. It ensures this justification is reviewed and possibly updated throughout the life of the project.

You should use the latest version of the justification to decide whether to move on to each major stage of the project. Very often this justification is written up in some form of business case.

It is important that the justification for a project aligns with the overall business strategy of the organisation that is commissioning the project. If this is not the case, and organization could end up running multiple projects that are inconsistent with one another and start to work against each other.

Even projects that are driven by legislation changes or the need to be compliant with the new regulation, should have a business case.

PRINCE2 Provides a range of activities with associated responsibilities to ensure continued business justification. These are described throughout the process model and in the business case theme.

PRINCE2 Provides two important business-related management products: the business case, which documents the justification for undertaking the project, and the benefits management approach, which plans the reviews of the project's benefits.

Using the continued business justification in the starting up a project process

The continued business justification is implemented by the creation of the outline business case and then the detailed business case , the appointment of the executive to represent the business interest, and the verification that a business case exists during all the directing a project process authorization points.

Although all seven principles contribute to implementing the business case theme in some way, the two that are most important are the principles of continued business justification and the defined roles and responsibilities.

As a minimum, it is essential that however the business case theme is implemented, there is a clear business justification for the project that is updated throughout the project and taken into account when making key decisions.

This essentially is what the continued business justification principle outlines.

The other minimum requirement is that the project team is clear about who has which business case responsibility, which aligns with the principle of defined roles and responsibilities.

Learn from experience

When you are managing a project, it is a good idea to take into account the good practise and the mistakes made in past projects.

Also, it is a good idea to collate the lessons learned during the management of the current project and pass them onto teams managing subsequent projects.

During many of the management activities throughout the process model, PRINCE2 constantly highlights the need to take account of past experience and collate new knowledge.

It provides two important management products to help implement the learn from experience principle: the lessons log, which is used to record both previous and current experience, and the lessons report, which is used to pass on experience from the current project to those who will manage subsequent projects.

The progress theme describes how to control the flow of experience.

Learn from experience is implemented during the starting up a project process by the creation of the lessons log, which is populated with previous useful experience, and by considering lessons when carrying out any of the activities in the starting up a project and initiating a project processes.

Defined roles and responsibilities

It is important that each role in the project management team be performed by someone who understands what is expected of them and who is willing to take on that role. This is the PRINCE2 principle of defined roles and responsibilities.

The project management team must include people from a broad range of stakeholder perspectives, especially those viewing the project from business, user, and supplier perspectives.

The project management team should include appropriate roles for the various management levels of the organisations involved.

PRINCE2 Provides a project management team structure. For each role within the structure, it sets out a range of responsibilities. For each activity in the process model, there is a defined role (or roles) responsible for that activity.

The project management team structure and the associated roles are first set out in the project brief and then in the project initiation documentation (PID).

The communication management approach describes how the communication between these people will be managed.

Defined roles and responsibilities are implemented by the establishment of a project management team in the starting up a project process, the appointment of people to the various roles, and the verification that they understand their project responsibilities.

Although all seven PRINCE2 principles are implemented in part by using the ideas within the organization theme, the main principle implemented is that defined roles and responsibilities. The organisation theme makes it clear which responsibilities need to be done in order to increase the likelihood of a successful project and suggests a number of roles and then organisational structure that will be accountable for these responsibilities.

Manage by stages

The manage by stages principle, ensures that PRINCE2 projects are divided into a number of time periods, called management stages (or often just called stages). these stages could last days, weeks, or even months (or even for years).

A collection of products is created with any stage. The project board gives the project manager the authority to manage one stage at a time.

After a stage is complete, the project manager must report back to the project board members, who then review the stages performance and other factors, such as the current state of the projects business case, and decide whether to authorise the next stage.

The project management team decides how to divide the project into stages when preparing the project plan at the outset of the project.

This approach has two benefits. First, it helps with planning. There is always a planning horizon beyond which it is difficult to forecast. As an example here, at the beginning of designing work in say, stage 2, it is impossible to plan in detail the building work of stage 3, because at this point, the specification of the project end product may not have been decided .

With the PRINCE2 manage by stages approach, the detailed stage plan for each stage is not created until the end of the previous stage. The project plan, which covers the whole project and is created at the outset, is done from a high-level perspective.

The other major benefit is that the senior managers taking on roles in the project board do not need to get involved with the day to day management of the stages. However, they can retain control of the project by authorising progress a stage at a time.

This is an efficient way of using senior management time. Senior managers can also vary the amount of control they have by shortening or lengthening the stages.

Every PRINCE2 project always has at least two management stages - a planning stage (or what PRINCE2 calls the initiation stage), and at least one other stage where specialist products are delivered.

Manage by stages is implemented by the creation of a project plan divided into various management stages, and by the project boards authorization of the project managers work one stage at a time - first for the initiation stage and then for the first delivery stage.

Manage by exception

In PRINCE2, each management level manage is the level below using the manage by exception principle. The project management team structure has four levels of management. At the top is a group called corporate, programme management, or the customer, who instigate the project.

Below them is the project board, the main decision-making body on the project.

Then comes the project manager, who manages the project on a day to day basis.

Finally, at the bottom, are the team managers and their teams, who create the projects products.

So corporate, programme management, or the customer manage the project board by exception, then the project board manages the project manager by exception, and, finally, the project manager manages the specialist team manager by exception.

Manage by exception means that the upper level of management gives the level of management below them a piece (or all) of the project to manage on their behalf. The upper level of management also set certain boundaries around the lower level of management's authority.

The lower level of management then needs further authorization from the level of management above them in only one or two circumstances:

- either they have finished delivering their piece of the project and they want to move on to a new piece of work

- or they realise that a situation has arisen that breaches the boundaries of their delegated authority.

The upper level of management defines the authority they give to the level of management below them by setting constraints around six areas:

- time

- cost

- scope

- quality

- risk

- benefits

A certain amount of leeway, or what PRINCE2 cause tolerances, may be allowed around those constraints.

If at any time it appears these constraints may be breached, the lower level of management must escalate the situation to the level of management above them.

This situation is called an exception.

Here are some examples of the six areas where constraints can be set:

Time

The upper level of management gives the level of management below them a certain amount of time to carry out their work within certain tolerances. For example, the work must be finished in six months, with a permissible early delivery of two weeks and late delivery of one week.

If the lower level of management believes they cannot deliver the work within this three-week range, they must escalate the situation to the level of management above them.

Cost

The upper level of management gives the level of management below them a certain budget to spend, possibly with some permissible leeway. For example, the budget could be $10,000 with an allowable under spend of $1000 and no allowable overspend.

If the lower level of management forecasts they cannot deliver their work for between $9000 and $10,000, they must escalate the situation to the level of management above them

Scope

The upper level of management gives the level of management below them a set of products that need to be delivered with any possible variation allowed. For example, the product could be a website with pages that contain information on all the company's primary services and, if time permits, the secondary services.

If the lower level of management realises, they will not be able to deliver even the primary service pages, they must escalate the situation to the level of management above them.

Quality

The upper level of management gives the level of management below them a set of specifications for all the products that should be created. These are specified in an appropriate manner to an appropriate level of detail for that management level.

Any tolerance around the specifications will also be shown - for example, create an Olympic stadium 50 to 60 metres high. If the lower level of management cannot deliver products within these specification ranges, they must escalate the situation to the level of management above them.

Risk

The upper level of management gives the level of management below them a threshold value of aggregated risk. An example is that expected costs of the predicted threats must not exceed $20,000.

If the lower level of management Realises this threshold level of risk will be breached, they must escalate the situation to the level of management above them.

Benefits

The objectives for the project's benefits may also be given some allowable deviation by corporate, programme management, or the customer.

For example, sales from the project must be in the range of $500,000 to $600,000. If this forecast looks as though it will not be possible, the situation should be escalated back to corporate, programme management, or the customer.

Management by exception provides for efficient use of senior manager's time. They do not have to get involved in the day to day work of the level below. However, they can control the work of the level below by setting tolerances around those six areas.

Manage by exception is implemented by the project board defining certain tolerances within which the project manager must manage the initiation stage and the first delivery stage. It is also implemented by corporate, programme management, or the customer setting tolerances for the project board for the project.

Focus on products

A product can be tangible like a train or intangible such as trained staff. They are always inputs or outputs from a series of activities.

For example, if my project were to develop a training course and train a group of staff, the products might include the existing corporate training standards that my training course needs to comply with, the set of slides that I need to create to show during the course, and the final product, which is a group of trained staff .

In PRINCE2, products are sometimes referred to as outputs or deliverables.

The principle of focus on products, in shows that through every step of the project, what the project is creating is clearly defined and agreed to.

In PRINCE2, these product specifications are set out in product descriptions. The product descriptions are then used as the basis of planning the activities needed to create the products, manage proposed changes to the products, and verify approval and acceptance of the products once they have been built.

This seems like a rather obvious thing to do. However, many projects miss this simple approach, and as a result, disputes occur over the acceptance of the products, uncontrolled changes are introduced, or the wrong outputs are created.

Also, when a project management team is not focused on the end goal of the projects activities, which is to create the agreed products, they sometimes do unnecessary work or start to create products that were not needed nor agreed to .

Focus on products is implemented first by

- specifying the overall output of the project in the project product description
- specifying the major products in their product descriptions
- creating the quality management approach, which defines how the project will be managed to ensure that the right products are created.

Tailor to suit the project

Projects come in many different shapes and sizes. There are small projects, large projects, engineering projects construction projects public sector projects, and so on. There are predicted projects and agile projects which use incremental and iterative approaches. PRINCE2 can be tailored to suit all of them.

PRINCE2 says that it is mandatory to tailor the method, and there are many reasons why a project management team would want to tailor PRINCE2. tailoring PRINCE2 helps reduce the project risk.

There are many factors that might influence how PRINCE2 is tailored including the capability of the project management team, the maturity of the, and any legal contracts that apply to the project's work.

So, what specific parts of the PRINCE2 model can be tailored? The simple answer is everything, as long as you follow the rules. These are:

Every PRINCE2 project, no matter how small, must abide by the seven principles.

Each PRINCE2 theme has a set of minimum requirements that must be applied. for example, in the plans theme, PRINCE2 states that every project must have at least two management stages.

PRINCE2 often suggests a technique, but it is not mandatory that you use that technique.

When the project management team is considering how much tailoring is required, they should balance the costs against carrying that out against the benefits that such tailoring will bring.

Tailored to suit the project environment is implemented by including a section in the project initiation documentation (PID) that shows how PRINCE2 will be tailored for the project

PRINCE2 Principles and the plans theme

The plans theme helps to implement all seven principles.

The plans should clearly show how to create the products that will be used to deliver the outcomes and benefits forecast in the business case, so the first principle that the plans theme helps to implement is the continued business justification principle.

A key concept of planning is always to consider any useful experience that might improve the plans, which helps to implement the principle of learn from experience.

A minimum requirement of the plans theme is that the project team is clear on who will take on the various planning responsibilities, which helps to implement the principle of defined roles and responsibilities.

The project is broken up into a number of management stages; the project manager creates a plan for each stage; and the project board authorises a stage at a time - all of which help to implement the principle of managed by stages.

The last three principles are also all implemented in many way by the plans theme.

If the project gets into an exception situation, the project board might request that the project manager creates an exception plan to show how to recover from the exception.

This helps to implement the principle of managed by exception.

Product based planning helps to implement the principle of focus on products. Finally, the plans theme can be adapted to work in different situations - such as an agile project or a project operating within a programme - which helps to implement the principle of tailor to suit the project.

PRINCE2 Principles and the Quality Theme

In many ways, all seven principles contribute to implementing the quality theme; however, the three principles that are most important are focus on products, defined roles and responsibilities, and learn from experience.

Throughout the project, the project management team is focused on products.

They create a project product description and product descriptions to clearly define what will be created, and then use these management products to verify and review that the correct outputs have been created.

The quality management approach will define who is doing what about quality activities so that the defined roles and responsibilities principle is implemented. This principle is also implemented by the creation of product descriptions, as they state which people will be involved with reviewing, producing, and approving the products.

Throughout the process model, PRINCE2 advocates learning from experience to ensure that the activities of quality planning, quality assurance, and quality control are carried out in the best possible way.

Quality control also involves eliminating causes of unsatisfactory performance, so it could include looking at the process is used to manage the project and seeing if they could be improved.

PRINCE2 Principles and the Risk Theme

In many ways, all seven principles contribute to implementing the risk theme; however, the three most important principles are the continuous business justification, defined roles and responsibilities, and learn from experience.

PRINCE2 sees a strong connection between the risk theme and the continued business justification principle.

This is because every project is an investment for the commissioning organisation. When making an investment, one of the key things would be to consider any risks and hence uncertainty. Given the amount of risk involved the decision might be made to invest with the project in another area.

So just as when we invest in shares, when an organisation invests in a project, they want to ensure that risk is managed as effectively as possible. In PRINCE2 terms, we say that effective risk management is a prerequisite to help implement the principle of continued business justification.

It is more straight forward to see the link between the risk theme and the principles of defined roles and responsibilities and learn from experience. To do effective risk management, it needs to be clear who is doing what with regards to risk.

The project management team will find using prior experience makes any risk management approach more effective. For example, when trying to spot new risks, rather than starting with a blank sheet of paper, you could look back at previous risk registers from similar projects in the past.

PRINCE2 Principles and the Change Theme

In many ways, all of the seven principles contribute to implementing the change theme; however, the four principles that are most important to this particular theme are:

- continued business justification
- defined roles and responsibilities
- learn from experience
- focus on products.

During the controlling a stage process, the project manager must carry out an impact analysis on each issue that arises. The most important impact to consider is how the issue might affect the business rationale for the project. Therefore, the change theme helps continually review the business justification for the project.

The change control approach must describe, at a minimum, the roles and responsibilities that are associated with managing issues and changes, such as who must capture an issue, who must be involved in assessing issues, and who can authorise different levels of issues.

In this way, the change theme helps to implement the defined roles and responsibilities principle.

The project management team must also consider any useful experience that would help them identify and/or manage issues. This helps to implement the learning from experience principle.

Finally, the change theme is fundamentally about controlling and managing change to the project's products, which helps to implement the focus on products principle.

PRINCE2 Principles and the Progress Theme

In many ways, all seven principles contribute to implementing the progress theme; however, the three that are most important are:

- manage by exception
- manage by stages
- learn from experience.

As an absolute minimum, the project management team must set tolerances for each level of management that clearly defined that level of management authority. Then, the level above them. This approach follows the management by exception principle.

Another minimum requirement is that the project be broken up in two stages and that the project board authorises one stage at a time for the project manager to deliver. This is implementing the manage by stages principle.

Finally, at a minimum, the project management team must consider useful experience when determining how to control the progress of the project. This applies the learn from experience principle.

PRINCE2 Principles and the Directing a project, controlling a stage, managing a stage boundary, and the manage product delivery processes

Here, I want to discuss the seven PRINCE2 principles that are used during the middle of a project.

Continued business justification

The project manager updates the business case at the end of each stage. The project board uses the updated business case to drive their decision about whether to authorise the next stage of the project. The project manager considers the impact on the business case of any new risks or issues that arise during a stage.

Learn from experience

Previous experience is always considered when carrying out any of the activities in the controlling a stage, managing a stage boundary, and managing product delivery processes.

If appropriate, the project manager includes a lessons report with highlight reports and end stage reports.

Defined roles and responsibilities

The project manager ensures that the roles and responsibilities for the project management team are up to date for each stage in the managing a stage boundary process.

Manage by stage

The project board authorises the project manager to manage the project one stage at a time.

The project manager uses the managing a stage boundary process to prepare information for the project board to decide whether to authorise the next stage, and then uses the controlling a stage process to manage each authorised stage.

Manage by exception

The project board defines stage tolerances within which the project manager must manage each delivery stage.

The project manager has authority to manage each stage unless they forecast that these stage tolerances will be breached, in which case the project manager must escalate the situation to the project board.

In a similar way, the project manager sets the work package tolerances that the teams creating the products within the managing product delivery process must work within.

Focus on products

The project manager creates stage plans and exception plans using a product-based planning approach to ensure that product descriptions are available for each product to be delivered within the stage.

The project manager gives the teams the product descriptions to ensure that they deliver products to the correct specifications within the managing product delivery process.

Tailor to suit the project environment

The project manager plans how to apply the project's approach to tailoring PRINCE2 when planning each stage during the managing a stage boundary process.

PRINCE2 Principles and the Closing a Project Process

All seven PRINCE2 principles are used to some extent at the end of the project, but the three main ones are as follows:

Focus on products

The project manager ensures that acceptance is obtained for the final outputs of the project and that the products are reviewed against their acceptance criteria as described in the project product description.

Learn from experience

The project manager creates a final lessons report and passes it to the project board, which, in turn, passes it to the group that is focused on organisational improvement. this will typically be operational managers within the user's community.

Continued business justification

The project manager ensures that the forecast benefits are reviewed and that post project benefit reviews are planned