



PRINCE2[®]

7th Edition

Masterclass

Handbook



Handbook 1

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PRINCE2 7th Edition

PRINCE2® Seventh Edition Masterclass

Module 1

Lesson 1

PRINCE2 Overview

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PRINCE2 Masterclass Student materials

So, what is included in Projex Academy's PRINCE2 Masterclass?

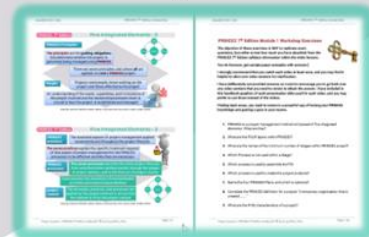
Over 120 streaming videos teaching you in easy-to-absorb bite-sized chunks!



Full PRINCE2 7 Foundation and Practitioner syllabus and learning objectives



18 accompanying Handbooks with workshop exercises, sample foundation and Practitioner exam questions and answers

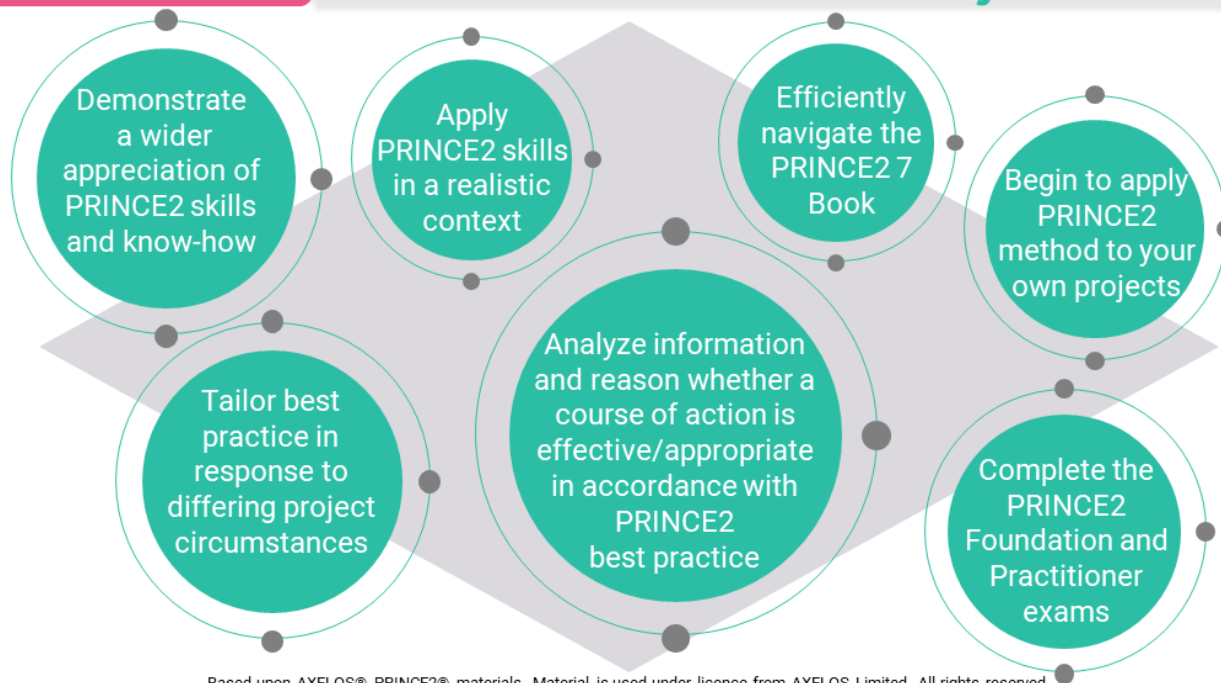


Plus TWO Official Sample papers and rationale for both Foundation and Practitioner exams!

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PRINCE2 Masterclass objectives



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Welcome to your PRINCE2 Masterclass

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	



Each Module contains several video-based lessons

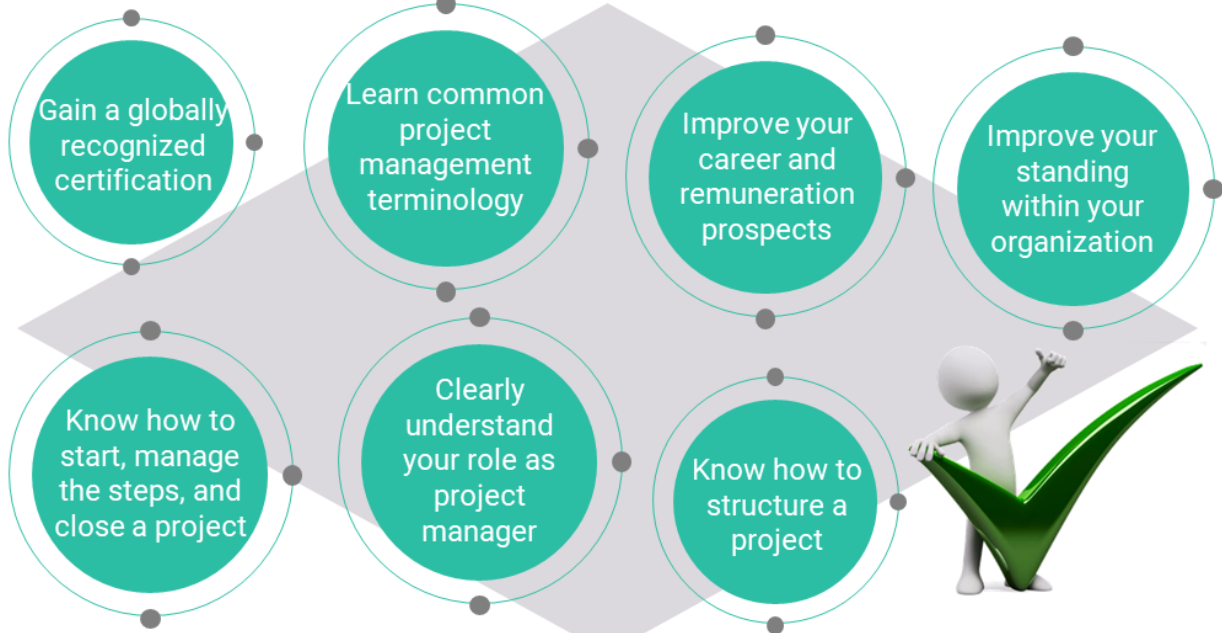
Each Module has an accompanying Handbook

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Benefits of PRINCE2 for YOU!



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PRINCE2 7th EditionPRINCE2 7th Edition - So, What's New?

A new **People chapter** includes stakeholders, communication, interpersonal skills, leadership qualities, and fostering collaboration

The 7th edition integrates principles of **sustainability** and **ethical conduct**

Sustainability has been added to the existing six aspects of **project performance** and **tolerances**

PRINCE2, exemplifies how **tailoring** should be applied practically



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PRINCE2 7th EditionPRINCE2 7th Edition - So, What's New?

Themes renamed as **Practices** and are streamlined and easier to digest

A new **Issues Practice** with project changes under that heading

Process activities have their diagram removed; these are now a **table** with accompanying text

Principles are sharper, more intuitive alignment with the current business landscape

PRINCE2 now works hand in hand with frameworks like Agile, Lean, and ITIL



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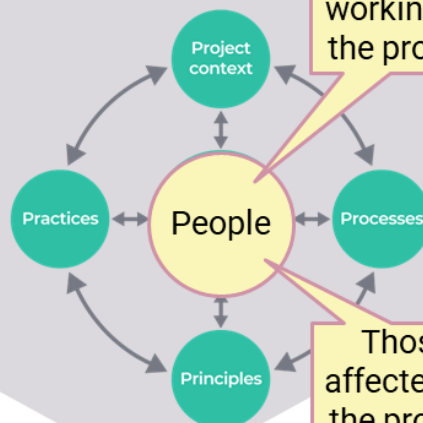
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Five Integrated Elements - 1

PRINCE2 is a project management method composed of **five integrated elements**:

principles, people, practices, processes, and the project context

The environment for a PRINCE2 project can be tailored to any type of project, no matter its size, environment, complexity, importance, capability, or risk.



Those working on the project



Those affected by the project



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Five Integrated Elements - 2

PRINCE2 Principles:

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

There are seven principles, and unless **all** are applied, it is **not** a **PRINCE2** project

People:

Projects need people, those working on the project and those affected by the project

An understanding of the needs, capabilities, and motivations of the people involved and the relationships between them is crucial to how the project is established and managed



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Five Integrated Elements - 3

PRINCE2 practices:

The essential aspects of project management applied consistently and throughout the project lifecycle

The seven practices explain the specific treatment required of that aspect of project management for the PRINCE2 processes to be effective and why they are necessary

PRINCE2 processes:

The seven processes describe the entire project lifecycle, from activities before getting started, through the stages of project delivery, and to the final act of project closure

Each process has checklists of recommended activities and related responsibilities

project context:

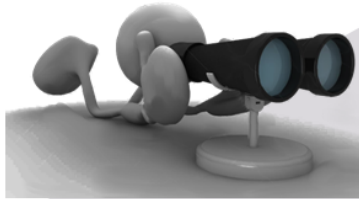
The principles, practices, and processes are applied by the people involved to ensure that the method is fit for the project context



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Causes of project failure



All stakeholders must understand:
WHY the project is needed,
WHAT it must achieve
HOW it is to be achieved
WHAT their responsibilities are

Misunderstood Scope and Outcome
 Poor Stakeholder communication
 Unclear Project Roles and Responsibilities
 Inadequate planning horizons

Unrealistic risk management
 Wrong estimation approach
 Business case not viable
 Project choice not sensible

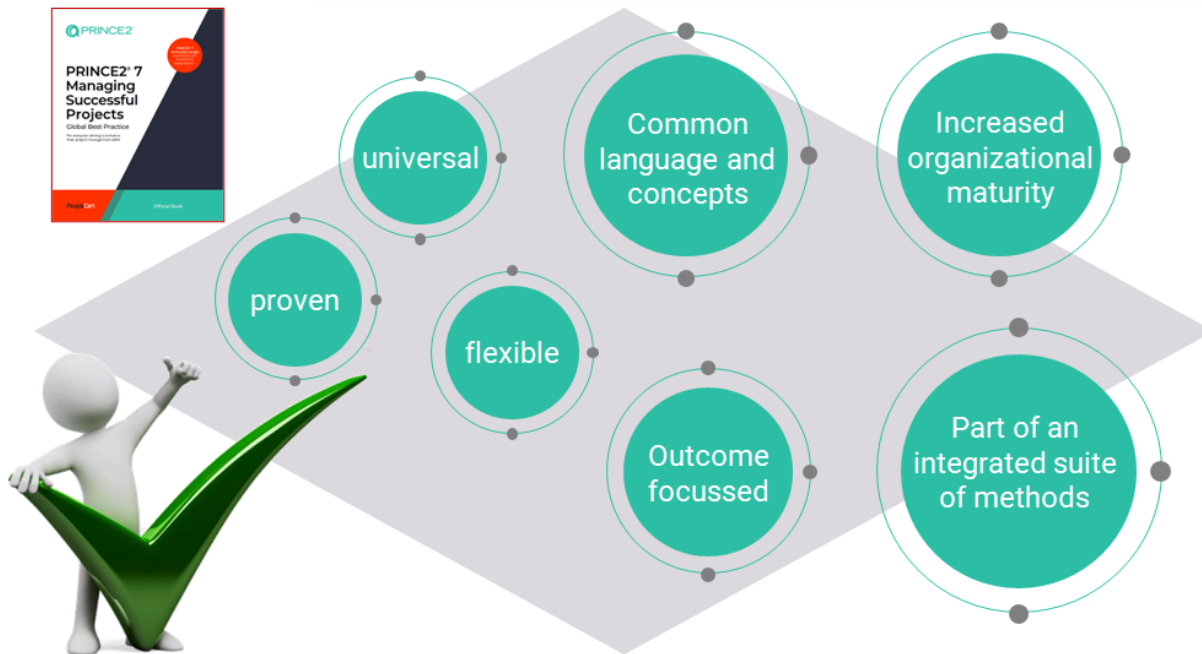
Lack of 'measurables' for progress and control
 Unrealistic assignment of budget and resources
 No agreed process for Change/Issue control
 Misunderstood quality of deliverables or Products



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Features and benefits of PRINCE2 - 1



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Features and benefits of PRINCE2 - 2

Proven:

based on established and proven practice and governance for project management

Universal:

can be applied to any project, of any scale, and easily implemented alongside specialist, industry-specific models (i.e., engineering models or development lifecycles)

Flexible:

can be tailored to meet the specific needs of the organizations involved

Common language and concepts:

widely recognized and provides a common vocabulary for all participants

Encourages consistency and the ability to reuse project assets, facilitate staff mobility, and reduce the impact of personnel changes or handovers



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Project Processes

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PRINCE2 Processes - 1

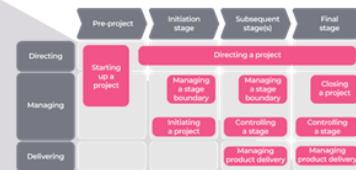
Starting up a project:

the purpose is to gather sufficient information to decide if it is worth investing in detailed project planning

Initiating a project:

involves establishing whether there is justification to proceed with the project

A business case is developed at this stage, and the project board commits resources

**Controlling a stage:**

describes the project's **day-to-day management** and involves the project manager's monitoring and control activities

The project manager must ensure that each stage stays on course and must react to unexpected issues

Managing a stage boundary

provides the **project board** with critical decision points to decide whether to continue or close the project

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PRINCE2 Processes - 2

Managing product delivery:

ensures that the planned **products** are created and delivered

the project manager assesses work progress, meets quality criteria, and obtains approval for completed products

Directing a project:

this runs from the project start-up until its closure

the project is directed by the **project board**, who employing reports at various decision points

**Closing a project:**

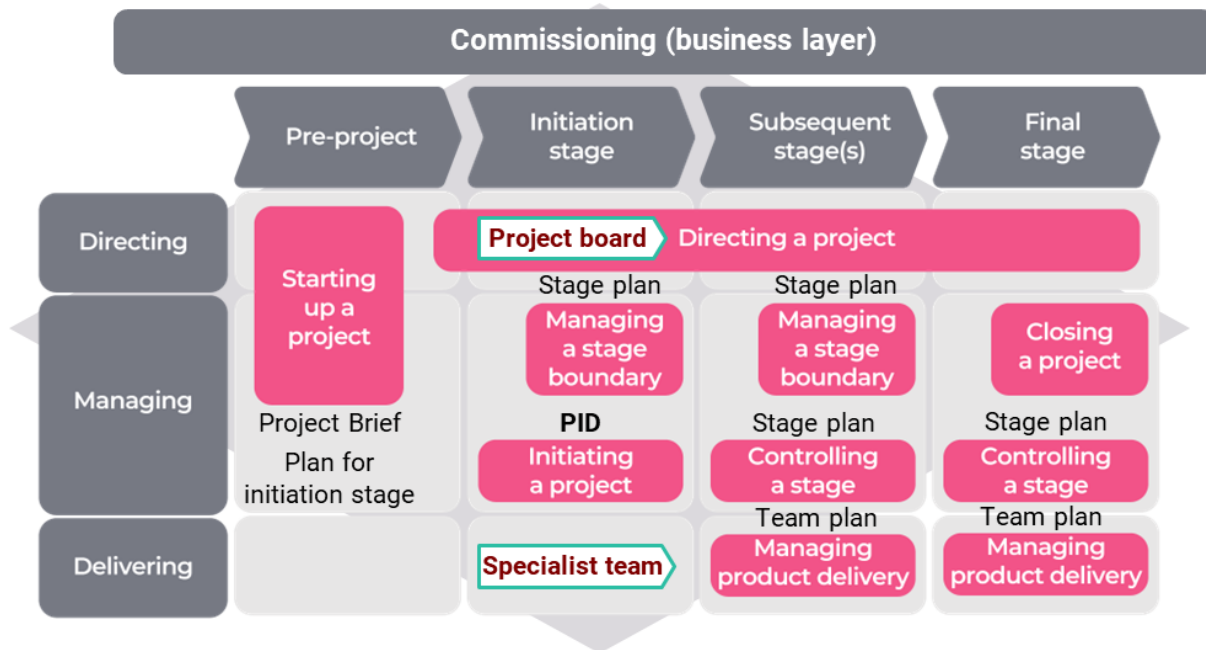
this covers the project manager's work in completing the project either at its **end** or at a **premature close**

the project manager prepares information for the project board so that they can confirm that the project may close

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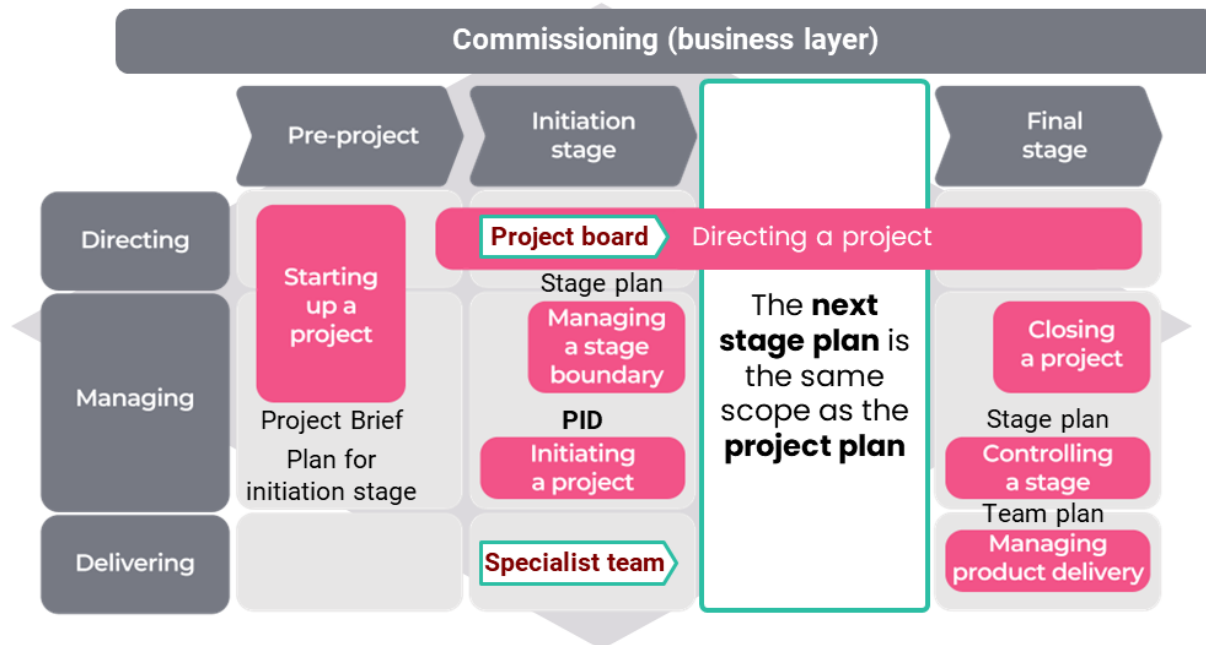
PRINCE2 Processes and Stages



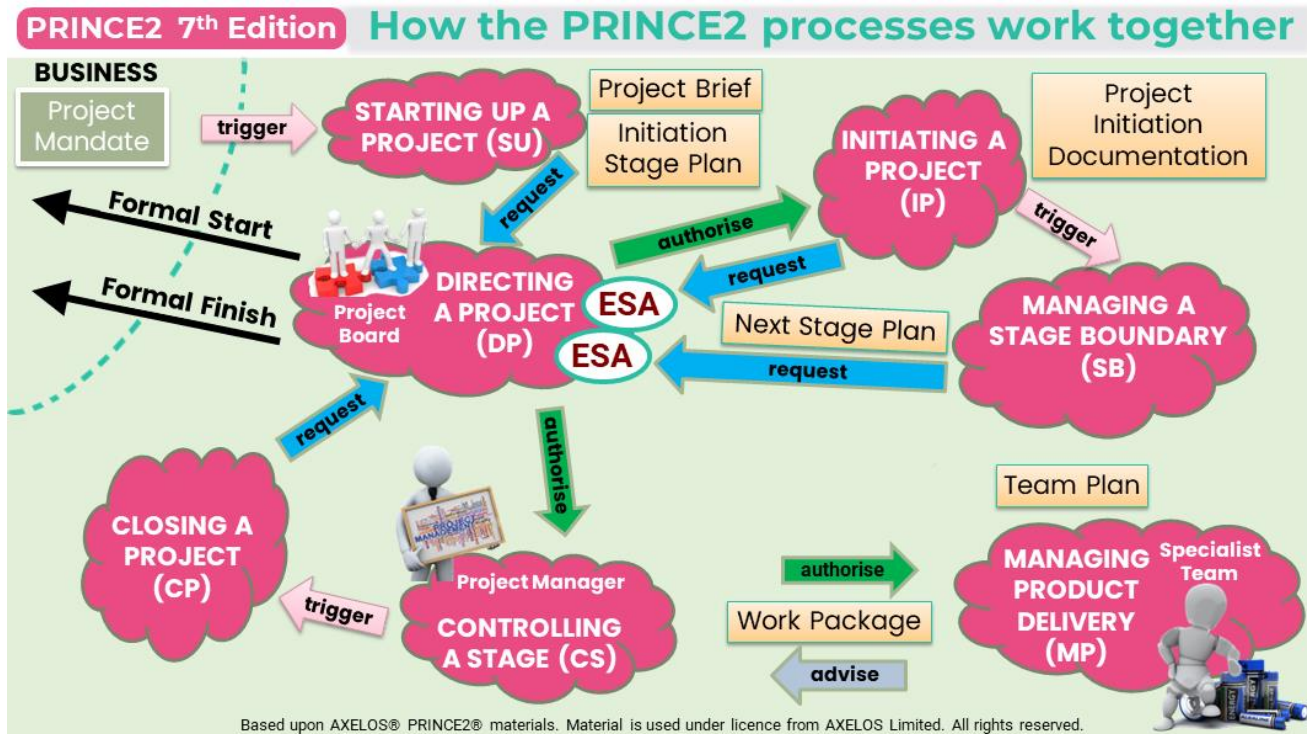
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PRINCE2 Processes and Stages



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**PRINCE2 7th Edition****What is a Project? - 1**

A key challenge that organizations face is balancing two competing needs, which are:

1.

maintaining current business operations, also known as **business as usual** (such as maintaining profitability, service quality, customer relationships, brand loyalty, productivity, and market confidence)

2.

improving or transforming business operations to survive and compete in the future, also known as **business change** (for example, anticipating and deciding how change can be introduced to the greatest effect)



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What is a Project? - 2

Definition
of a project

A temporary organization that is created for the purpose of delivering one or more business products according to an agreed business case

As the pace of change accelerates (whether technological, business, social, or regulatory) the need to adapt becomes more evident ...

... the focus of management attention is inevitably moving to achieve a balance between business as usual and business change

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



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Project Management Questions

Questions frequently asked by those directly involved in **project management** or support or other related roles:

What is expected of me?

What should I expect from others on the project?

What project decisions am I expected to make?

What should I do if things do not go to plan?

Who should I look to for support or direction?

How can we apply and tailor the use of PRINCE2 for our project?

What information do I need to supply, and what should I receive?



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Module 1

Lesson 3

Project Characteristics

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Project Characteristics - 1

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

Change: projects are how we introduce change

Temporary: projects are temporary in nature. When the change has been implemented, business as usual resumes (in its new form), and the need for the project is removed

As projects are temporary, they should have a defined start and a defined end

Each has a different perspective and motivation for getting involved in the project



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Project Characteristics - 2

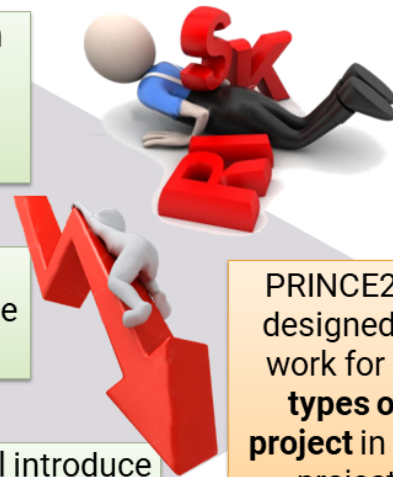
unique: every project is unique. An organization may undertake many similar projects and establish a familiar, proven pattern of project activity, but each one will differ in a certain way

This can mean a different team, customer, supplier, product, location, or timeframe. All these factors combine to make every project unique

uncertainty: the characteristics already listed will introduce threats and opportunities over and above those typically encountered within business as usual. Projects are riskier than any operational aspects of an organization

PRINCE2 is designed to work for **all types of project** in any project environment

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Project Characteristics - 3

Cross-functional: a project involves a team of people with different skills working together temporarily to introduce a change that will impact others outside the team

Projects may work across the **functional divisions** and span various organizations, frequently causing customer and supplier **stress** within and between organizations

Projects vary greatly where the **environment** within which the project is being managed may influence how it is started, delivered, assured, and closed

There may be **external project factors** such as organizational standards, organization maturity, and regulatory frameworks specific to the individual project, such as the industry sector and geographical locations

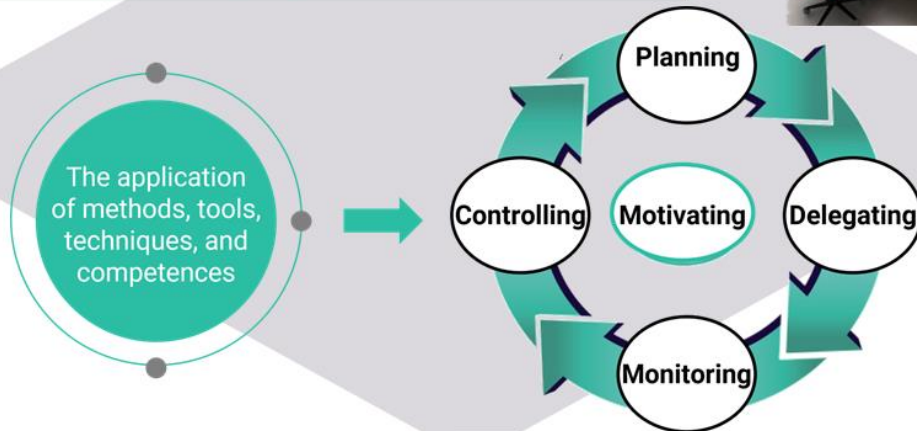


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What is Project Management? - 1

The typical characteristics of a project can result in **common challenges** such as ambiguity, resource availability, and keeping stakeholders informed



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What is Project Management? - 2

The purpose of project management is to address these challenges by **reducing and managing ambiguity**

This is achieved by uniting the involved parties to clarify objectives and working practices



The aim is to control the **specialist work** needed to create the **products** required of the project



Project management involves the planning, delegating, monitoring, and control of all aspects of the project and the motivation of those involved to **achieve the project objectives** within expected **performance targets**

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What are Project challenges? - 1

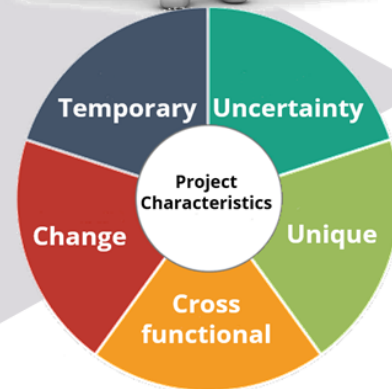
Project management is the application of methods, tools, techniques, and competencies to enable the project to meet its objectives

The five characteristics of a project can result in some typical challenges such as:

ambiguity regarding who is responsible for what aspects of the project, leading to confusion and a lack of accountability

ambiguity or conflict regarding what the project will deliver, costs, and when

unrealistic expectations regarding what the project will deliver, costs, and when



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What are Project challenges? - 2

unavailability of resources or reassigning resources to business-as-usual activities over project work

difficulty in **estimating effort, durations, and costs** for project work

uncontrolled change (sometimes referred to as **scope creep**)

difficulty keeping the project management team and stakeholders informed, engaged, and motivated during the project lifecycle



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Module 1

Lesson 4

Project Performance Management

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PRINCE2 7th Edition Seven aspects of Performance Management

PRINCE2 is an **integrated method** of managing **seven variables** a project manager must control

Managing **costs** to avoid overspending or missing opportunities to cut costs

Managing **timescales** so that the project **does not** overrun, leading to reduced costs and increased customer satisfaction

Managing **quality** to ensure that the project product is fit for purpose and that it meets the customer's expectations



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PRINCE2 7th Edition Seven aspects of Performance Management

Managing **scope** by determining and agreeing what the project will deliver, on what is (and what is not) in scope, helping avoid under or over-delivering

Managing **risk** by identifying them and how we might control them, to keep projects on track and maximize benefits

Managing **benefits** to ensure project outcomes are achieved, and planned benefits are realized

Managing **environmental impact** by setting sustainability performance targets for the project work and for the products required of the project



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PRINCE2 7th Edition Seven aspects of Performance Management

The project's performance target sets the expected success level against which the management of the project will be judged

PRINCE2 includes performance targets for benefits, cost, time, quality, scope, sustainability, and risk

Seven performance aspects questions:

benefits: those involved in the project must answer: why are we doing this, and who are we doing it for?

The project management team must have a clear understanding of the purpose of the project and what needs to be achieved to justify its investment



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PRINCE2 7th Edition Seven aspects of Performance Management

costs: a developing project will have many factors that can affect the cost budget available (overspend or underspend). The project must be affordable.

time: when will the project start, when will the key products be delivered, and when will the project finish?

quality: finishing on time and within budget is okay but the project result must work as specified. What is delivered by the project must be fit for purpose.

sustainability: projects impact their environment, so project management teams must know the sustainability performance targets for the project work and required products



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PRINCE2 7th Edition Seven aspects of Performance Management

scope: what will the project deliver? All involved need the same agreement about what must be included or excluded – no different assumptions!

The project management team should not deliver beyond the scope, as this is a common source of delays, overspend, and uncontrolled change (sometimes referred to as **scope creep**)

risk: all projects involve risk - so how much risk is the business prepared to take?

The project management team need a shared understanding of the business' **risk appetite**, they may be too risk-averse or take more risks than the business is prepared to accept



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Priorities can be established by agreeing on the project's performance targets

For example, an urgent project may place more importance on time than on other performance targets, such as costs

PRINCE2 helps with priorities by allowing a **tolerance range** for each performance target

The agreement of **performance target tolerance** amounts helps in exploring options and determining the **project approach**

All project performance targets/tolerances are used throughout **PRINCE2** as the basis for control



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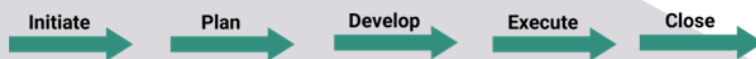
Project Delivery Methods - 1

The delivery method is the way in which the work of the project is to be delivered

The project may rely on **one or more** delivery methods to create the required **products**

PRINCE2 provides the controlled environment for specialist delivery methods

Typical delivery methods include



linear-sequential approach: each of the delivery steps to create the products occurs in sequence, and the product is made available during or at the end of the project ...

... for example, in a **construction project** where requirements gathering, and design occur before construction starts



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Project Delivery Methods - 2

Iterative-incremental approach:



Often used for product development, where requirements gathering, design, development and/or coding, and testing occur iteratively throughout the project lifecycle

This approach is an **agile approach**

Hybrid approach:



Some elements of the project use a **linear-sequential approach**, and other elements use an **iterative-incremental approach**

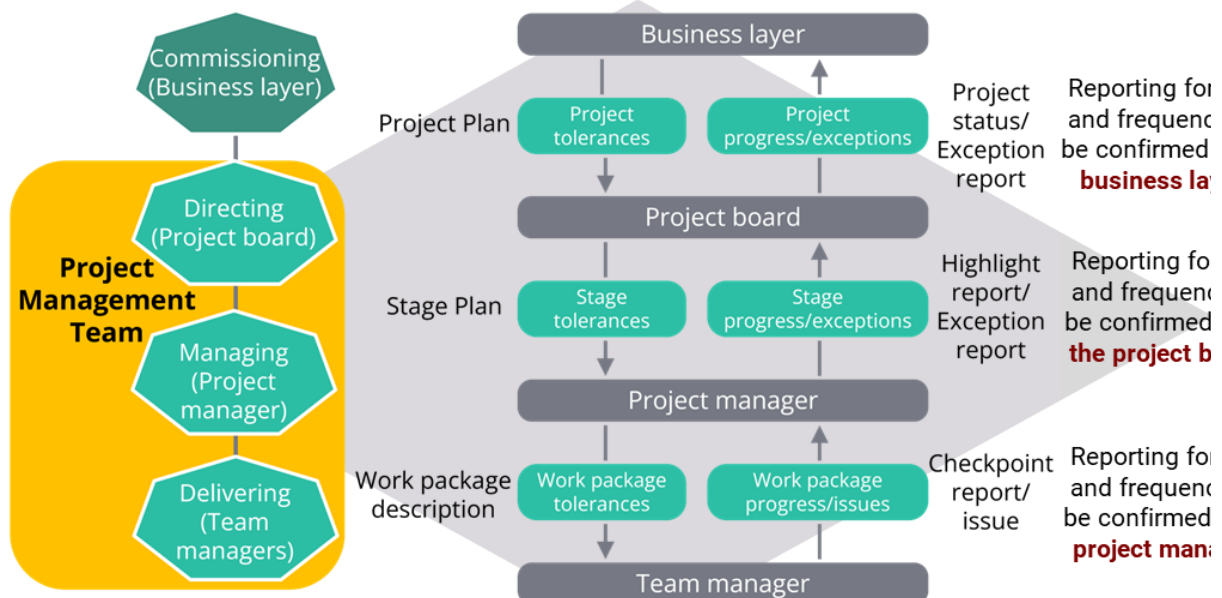
The PRINCE2 method doesn't assume or require any specific delivery method

For example, a **linear-sequential approach** for the development of the infrastructure for a service, and an **iterative incremental approach** used for customer service portal development for users to access the service

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Project Layers and Tolerances



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Module 1

Lesson 5

Project Context

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Users, suppliers and business

PRINCE2 projects must have:

The PRINCE2 method does not require any specific organizational relationships between the users, suppliers, and business decision-makers for the project



The users, suppliers, and business decision-makers may all come from the same organization, or they may be in separate organizations with commercial agreements between them

A **business** who provides the **project mandate** and **structure** for project governance

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Organizational Context - 1

The project context: PRINCE2 has been designed so it can work within **any context** including organizational and commercial context, delivery method, sustainability requirements, and project scale

Organizational context

The PRINCE2 method does not assume any specific organizational context nor relationships

There may be **users** who specify the desired outputs (referred to as **products in PRINCE2**)

Suppliers who will provide the resources and expertise to deliver the products

business decision-makers who will ensure that the project investment can be justified and remains justified through the project lifecycle



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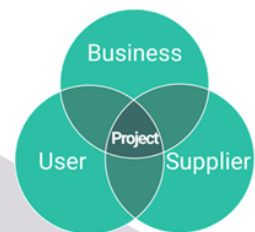
Organizational Context - 2

The PRINCE2 method does not require any specific organizational relationships between the users, suppliers, and business decision-makers for the project

The **users, suppliers, and business** decision-makers may all come from the same organization, or they may be in separate organizations with commercial agreements between them

Within the **PRINCE2 method**, the business decision-makers come from the organization that **commissions** the project

The decision-making will be made within the context of the business strategy, objectives, and policies of the organization



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Organizational Context - 3

Business:

The organization that provides the **project mandate** and the structure within which the project is governed

User:

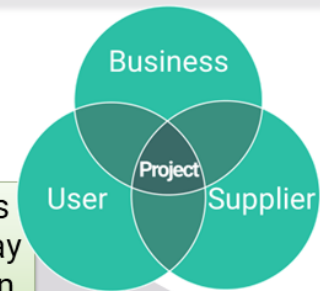
The organization that will use the project products to enable it to gain the **expected benefits**. They may be internal or external to the business organization

Supplier:

The organization that provides the **expertise, people, and resources** required to deliver the **products** required by the project. They may be internal or external to the business organization

Customer

Where there is a **commercial relationship** between the business and the supplier, the business is regarded as the **customer**



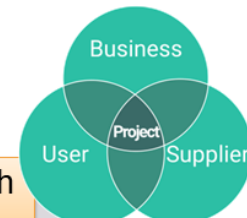
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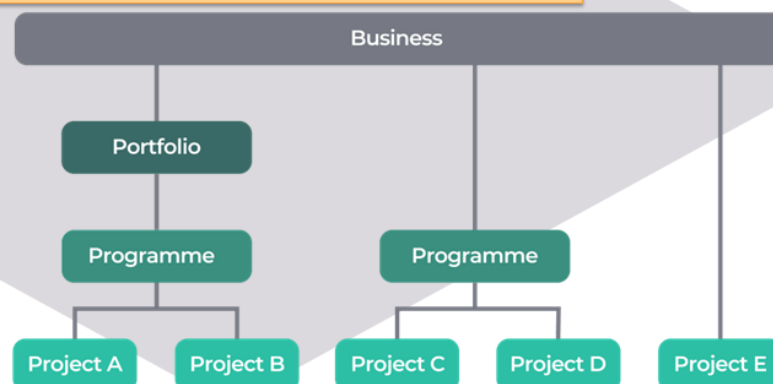
Organizational Context - 4

The project may be part of a **programme or portfolio** structure, or it may be a standalone project reporting to the business unit's management structure

The project will be **impacted** by the programme's approach to governance, its structure, and reporting requirements



The business is also responsible for realizing any **benefits** after the completion of the project



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Commercial Context - 1

The business may have entered a commercial relationship with a **supplier** to deliver products that fulfil the needs of the users as defined in the **project's business case**

The organization delivering the project (**the supplier**) is there to satisfy the need identified by the business (**the customer**)

The business may divide the work into several elements, some delivered by the suppliers

Other elements may be delivered by the business itself, for example, an internal department such as IT or facilities

For a supplier, the delivered work could be the subject of a legally binding contract, resulting from the procurement process

To deliver this work, the supplier might procure **subcontractors** itself, further dividing its work into additional elements



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Commercial Context - 2

There may be **hierarchies** of commercial relationships between **suppliers**

Simple customer-supplier relationship involving two organizations, projects might involve multiple organizations covered by **multiple contracts**

The contract describes how the customer(s) and supplier(s) will collaborate to **deliver the project**

There may be a single customer with a **prime contractor**, or there may be several customers and several supplier organizations, each of which may have its own business reasons for undertaking the project

For PRINCE2, the term '**customer**' is only used where there is a commercial relationship between the business and the supplier



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Module 1

Lesson 6

PRINCE2 Practices Part ONE

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The PRINCE2 Practices

The **PRINCE2 Practices** are an aspect of project management that must be **applied consistently and continually** throughout the project lifecycle

e.g., the **business case** for the project must be updated and revalidated throughout the project lifecycle as issues will occur, and risks need to be managed



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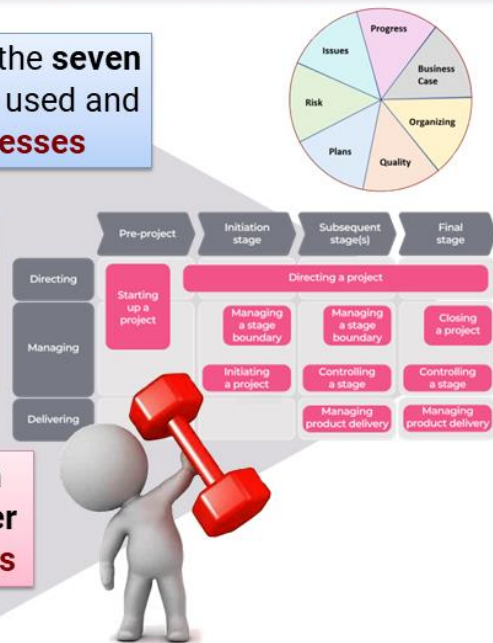
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The PRINCE2 Practices

The strength of **PRINCE2** is the way in which the **seven practices** are integrated, both in how they are used and link together across all the **PRINCE2 processes**

The **PRINCE2 processes** address the progressive flow of the project (the lifecycle), describing actions relating to each of the practices when they are needed

The power of **PRINCE2** is in the way the seven practices are integrated - how they **link together** and are **used** across all the **PRINCE2 processes**



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The Business Case practice

Answers the question "Why"?

The project starts with an **idea** considered valuable for the organization concerned, and **this practice** develops the idea into a **viable investment proposition** and defines and verifies success

It provides the basis for how project management maintains project **focus** on the project's benefits, purpose and alignment with the **objectives** and **priorities** of the business and other organizations involved



Benefits
purpose
alignment

Focus

Business
objectives and
priorities



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The Organizing practice

Answers the question "Who"?

Project work needs to be:

directed by those accountable

delegated to those responsible for managing it

allocated to those who deliver the project products

This practice describes the roles, responsibilities, and relationships in the **temporary PRINCE2 project management team** required to initiate and complete the project effectively

It explains how the **business, user, and supplier interests** are represented in project activities and decisions

Projects are cross-functional, so typical line management structures are **not suitable**



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The Plans practice

Answers the questions "How", "How much", and "When"?

PRINCE2 projects are delivered in **stages** based on a series of approved **plans**

This practice **complements the quality practice** by describing how **plans** are designed and developed

In **PRINCE2**, the plans are matched to the needs of the people through the **project management** layers (**directing, managing, and delivering**)

PRINCE2 plans are the focus for **communication and control** throughout the project



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Module 1

Lesson 7

PRINCE2 Practices Part TWO

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The Quality and Risk practices

Quality Answers
the question
"What"?

You can only understand the initial project idea as a broad outline, and this practice explains how to develop the outline

Hence, **all stakeholders** understand the **products' quality attributes** ...

... **and** how **project management** will ensure these **requirements** are subsequently **delivered**

Risk Answers
the question
"What If"?

Projects use new and different products, suppliers, and/or procedures, resulting in more uncertainty, and risk

This practice addresses how the project team manages **uncertainty**



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The Issues and Progress practices

Answers the question "What now?"

This practice describes how project management **assesses and responds to issues** that **potentially impact** any aspect of the project (including its objectives, plans, and products)

Issues may be unanticipated **general problems**, **requests for change**, or instances of a product not meeting its specifications

Answers the questions, "Where are we now"? "Where are we going"? "Should we continue?"

This practice addresses the **ongoing achievability** of the **plans**

It describes **performance monitoring**, and the **escalation process** if events go off-plan using a mix of event and time-based **controls**

Ultimately, it determines whether and how the project **should proceed**



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Applying the practices - 1

The PRINCE2 method should be applied and tailored so it is fit for purpose within the **project context**

The PRINCE2 practices help the **project management team** apply and tailor the method, mainly via the nine **management approaches**

Project Initiation Documentation

- **change** management approach
- **communication** management approach
- **sustainability** management approach
- **benefits** management approach
- **commercial** management approach
- **quality** management approach
- **risk** management approach
- **issue** management approach
- **digital and data** management approach

Each **management approach** defines the **procedures, techniques**, and **standards** to be applied and the responsibilities for that approach to be effective

The level of detail required, or how these are documented, published and shared could vary from a few paragraphs to a comprehensive manual ...



This is a project board decision!

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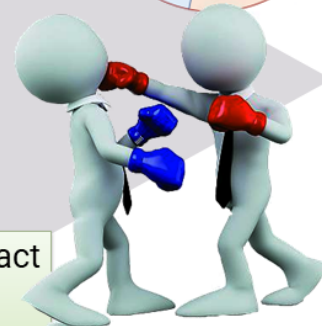
Applying the practices - 2

Contextual factors such as the project's importance, risk, and urgency will influence the **level of control** required, determining the degree of formality and frequency of monitoring, reviewing, reporting, and decision-making

Controls will also be influenced by:

The **organizations involved** and their relationship (for example, customer and supplier)

If the project is part of a **programme/portfolio** it will impact how the **project management team** interacts with the business and incorporates their management requirements



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Applying the practices - 3

Project management teams should reflect any **roles, processes,** and **terminology tailoring** when applying the **PRINCE2 practices**

All seven practices should be used in a project, but will vary according to the scale, risk, people/organizations involved, and the project complexity or simplicity

To ensure the method consistency with **PRINCE2 principles**



We will cover how each **practice** can be applied to the **project's context** based on common factors, e.g. a project in a programme or a project using an agile delivery method



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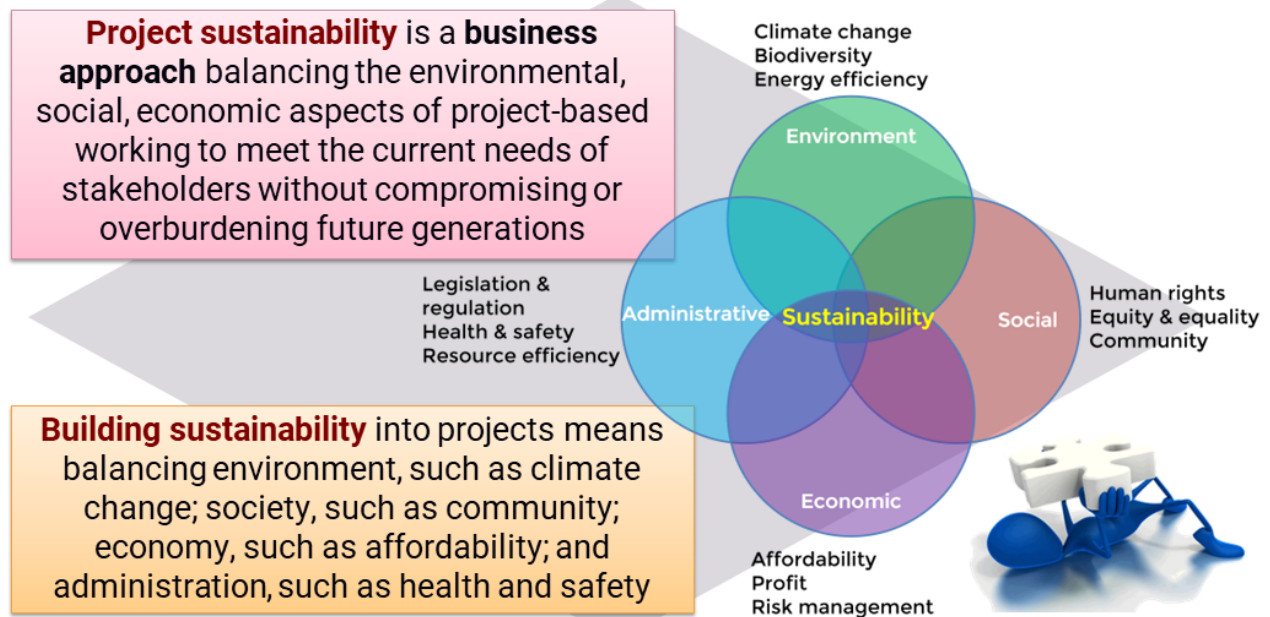
Module 1

Lesson 8

Project Sustainability

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PRINCE2 7th Edition What is PRINCE2 Sustainability Management?



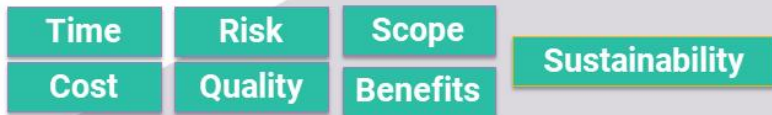
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Sustainability Context - 1

The business may have **sustainability objectives** and commitments that the project needs to meet

PRINCE2, includes sustainability as one of the seven **performance targets** used to manage the project



Sustainability is also included in **PRINCE2** through:

roles (sustainability responsibilities)

documentation (such as plans and reports)

practices (such as business case)

processes (such as activities to confirm sustainability requirements)



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Sustainability Context - 2

Sustainability is often linked to the environment, but can mean different things to different organizations

It may relate to the **environmental impact** of the project work

Some projects may have sustainability as their very purpose, such as the installation of solar panels



It may relate to the **whole life cost** of the products delivered by the project and their **resilience** in operations

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Sustainability Context - 3

Unless otherwise specified, **PRINCE2** uses sustainability to mean one, some, or all the 17 sustainable development goals defined by the **United Nations**



Many organizations have signed up to align with these targets

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Module 1

Lesson 9

Project Features & Benefits

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PRINCE2 Features & Benefits - 1

PRINCE2 is flexible and based on proven principles, organizations adopting the method as a standard can substantially improve their organizational **capability and maturity**

business change IT mergers and acquisitions
research product development construction

PRINCE2 has the following benefits:

proven: based on established and **proven practice and governance** for project management

universal: can be applied to **any project of any scale**, and easily implemented alongside specialist, industry-specific models (such as engineering models or development lifecycles)

flexible: can be **tailored** to meet the specific needs of the organizations involved



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PRINCE2 Features & Benefits - 2

common language and concepts: widely recognized and provides a **common vocabulary** for all participants

This encourages consistency and the ability to reuse project assets, facilitate staff mobility, and reduce the impact of personnel changes or handovers

part of an integrated suite of methods: designed to work with other **PeopleCert** guides on programme management, portfolio management and risk management



PeopleCert

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PRINCE2 Features & Benefits - 3

outcome-focused: ensures that project participants focus on the viability of the project in relation to its **business case objectives**, rather than simply seeing the **completion** of the project as an end in itself



This ensures that stakeholders (including sponsors and resource providers) are **properly represented** in **planning and decision-making**

increased organizational maturity promotes learning from project experience and **continual improvement** in organizations

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Project Scale - 1

The PRINCE2 method can be simplified for small or simple projects or expanded for large or complex projects

Project scale is **relative** to the organization

What is considered a small project in a large multinational enterprise could be bigger than what is considered a large project in a small organization

It is best to think of projects as **simple** rather than **small** and **complex** rather than **large**

This can be how the business perceives the **risk** and the **importance** of the project, relative to its **Business-as-Usual** operations



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Project Scale - 2

PRINCE2 can be **tailored** to the **scale** of the project via the:

governance arrangements between the **business layer**, the **project board**, the **project manager**, and the **teams**

The choice of which **project roles** are appointed to individuals from the user, business, and supplier organizations

The formality of the **project controls** (for example, frequency of reporting and reviewing)

The selection and integration of the **management approaches**, such as a commercial management or change management approach

The formality and level of detail of **project documentation** (management products)

The setting of the **project performance targets** and their **tolerances**

The number of **stages and work packages** the project is divided into



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Module 1 topic review

Five Integrated Elements
PRINCE2 Processes and Stages
What is a Project and its characteristics?
What is Project Management?
Seven aspects of Performance Management
Project Delivery Methods
Project Layers and Tolerances



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

Organizational Context
Commercial Context
The seven PRINCE2 Practices
Project Sustainability
Sustainability context
Project Scale
PRINCE2 Features & Benefits

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Foundation Exam Learning Outcomes

Understand key concepts relating to projects and PRINCE2

Recall key concepts related to project management:

- a) the definition of the integrated elements of PRINCE2: principles, people, practices, processes and the project context
- b) the definition of a project and project management
- c) the aspects of project performance to be managed
- d) the definition of delivery approaches: linear-sequential iterative-incremental, hybrid

**Describe key concepts related to project management:**

- a) the common reasons why project management is used
- b) the common challenges that PRINCE2 is designed to address
- c) the characteristics of a project
- d) projects in context/project environment
- e) the features and benefits of PRINCE2

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Example scenarios

There are four example scenarios used throughout this guide, which demonstrate how the PRINCE2 method can be applied to a wide range of projects.

A short summary of each scenario is provided below. Some of the scenarios feature projects at an early stage in their development, whereas others are partway through the project lifecycle.

The following icons represent each of the scenarios that appear throughout the guide.



Scenario 1: Data Knowledge

Data Knowledge is a company with the mission of leveraging the power of big data through advanced data analytics solutions. By analyzing the wants, needs, desires, and frustrations of social media users, Data Knowledge can transform raw and unstructured data into reliable predictions that enable organizations to utilize consumer behaviours and insights.

However, they have not been as effective in using data to their own advantage, now that the company has over 300 staff. In fact, the head of the data science division raised concerns in the last senior leadership team meeting.

The concerns were regarding the lack of visibility of who is working on what projects, poor capacity planning, and claims of an overworked team with low morale due to the constant juggling of commitments and firefighting issues.

As a way of addressing this, the data science division has been authorized to start a project to develop a time-recording solution and a set of reports on project and task assignments along with resource utilization and capacity planning. The reports are expected to offer interactive and real-time insights that can enable data-driven decisions around the utilization and planning of resources.

Data Knowledge has a defined framework for the management of projects. This is expected to be a simple business change project, taking no more than three months in the current financial year to complete.

Since Data Knowledge has in-house data analysis and app development capabilities as well as clear requirements for this project, the project will be led by the head of data science. They will work with the development division in an iterative and incremental approach. This is to ensure that the solution can be deployed quickly to several new projects and enhanced during its roll-out to the rest of the business.

The high-level project plan is as follows:

Stage 1 (initiation)

- product backlog
- minimum viable product definition

Stage 2

- timebox 1
- prototype of time-recording application
- mock-up of resource management reports
- timebox 2
- first release of time-recording application and reports (must-have features)
- pilot
- timebox 3
- enhancements following pilot
- timebox 4
- demonstration
- roll-out

Stage 3

- product backlog (following roll-out)
- closure.

The main output from the project is to be a time-recording application and set of resource management reports available to all business units.



Scenario 2: Louistown City Council

Louistown is a historical town which is home to over 40,000 residents and attracts over 20,000 visitors per year. The city council has been criticized for the lack of investment and modernization of the town centre.

They have recently decided to improve the vibrancy of the area and offer increased opportunities for business by approving the funds for the 'Louistown is Open for Business' (LOB) portfolio. This is an ambitious portfolio of projects covering the next five-year plan cycle.

A new shopping centre, provisionally named 'LouisShopping', is seen as a key project within this portfolio. This is a complex infrastructure project due to the:

- location of the building and historical nature of the surrounding buildings
- requirement for the design to be consistent with the environment while offering modern facilities supported by the latest technology
- need to include underground parking space
- importance of minimizing disruption to residents and businesses during the construction works
- recent award of 'green town' status to Louistown, and the sustainability requirements this will impose on the development. Due to the nature of the work, in which just the construction element is likely to span over two financial years, the council has approved the strategic business case, the initial high-level project plan and has appointed BuildyBrick as the main contractor.

They have established a requirement for a traditional delivery method in line with their standard approach to projects. The general view is that this project is long overdue, and the council would like 'LouisShopping' to be open to the public by the end of financial year three.

The project has just completed the initiation stage and commenced the first delivery stage (stage 2). The high-level project plan is as follows:

Stage 1 (initiation)

- strategic business case and high-level project plan approval
- appoint contractor

Stage 2

- design

Stage 3

- site preparation
- utilities and systems
- construction

Stage 4

- testing
- inspections

Stage 5

- demobilization.

The main output from the project is a shopping centre constructed and ready to open to the public.



Scenario 3: Findef

Findef was formed eight years ago with the promise to revolutionize how businesses identify fraudsters, to protect the reputation of businesses, and to minimize financial risks.

The company experienced substantial growth in the first few years, transforming from a niche small-medium-enterprise (SME) to one of the leading fintech firms in the field of financial fraud, working with the world's largest banks and merchants. In the last 18 months, Findef's growth has stagnated.

This factor, coupled with the arrival of new competitors, is creating discomfort among some investors. In response, the leadership board recently approved the development of a suite of three innovative cybersecurity products that will transform the market in financial risk management.

Additionally, the leadership board agreed that Findef will change its commercial and operating models to exploit the new products to their full potential. The company will now deal directly with the end user rather than through banks and merchants.

The FindefTwo programme has been established to oversee both the business transformation and the development of the new products. As the programme requires fresh investment, the board has established an investment committee that funds and oversees the programme.

The project for the product development will use a hybrid approach of linear-sequential for the overarching design and deployment of the product set and iterative-incremental for the development of each product.

The project also includes upskilling Findef's DevOps team in a new development platform. To mitigate some risks, the project includes procuring advisors and a marketing agency that could validate assumptions and share their product experience with the company.

The project is at the beginning of stage 3. The high-level project plan for the product development project is as follows:

Stage 1 (initiation)

- business case, project initiation documentation

Stage 2 (high-level design)

- request for proposals (advisor, marketing agency, training), contract awards
- product design (product family architecture)

Stage 3 (detailed design)

- product design: product 1
- early market testing
- DevOps upskilling

Stage 4 (MVP product 1)

- iterative-incremental development and soft launch of product 1 to minimum viable product (MVP)
- product design: product 2, product design: product 3

Stage 5 (MVP products 2 and 3)

- product 1 ready for full launch
- iterative-incremental development and soft launch of products 2 and 3 to minimum viable products (MVP)

Stage 6 (first launch)

- transfer product 1 to BAU support
- product 2 ready for full launch, product 3 ready for full launch

Stage 7 (second launch)

- transfer product 2 to BAU support, transfer product 3 to BAU support
- closure.

The main output from the project will be three products ready for full launch and transferred to BAU for operations and maintenance.



Scenario 4: NowByou

NowByou is a not-for-profit organization that works with local communities to eliminate discrimination of any kind and help advance the international human rights system through local and targeted interventions.

NowByou forms, chairs, and equips networking and support groups, where anyone who has experienced discrimination can share their experiences and thoughts in a safe and empowering space.

Additionally, NowByou is one of the few non-governmental organizations (NGOs) in the country that works directly with police forces to co-develop campaigns that encourage the reporting of discriminatory incidents to authorities.

Recent research has shown that discrimination against marginalized groups, particularly the homeless and refugees, is growing at a concerning rate. The increase in discrimination has led NowByou to believe that a new six-month campaign is required to address this issue.

They have decided to run the campaign as a project, aiming to both raise awareness of this type of discrimination and reinforce their own brand recognition (as NowByou is highly dependent on the goodwill of donors and financial aid from partners).

The project management maturity of the organization is very low, with no standardized processes or templates in place. For that reason, NowByou has contacted a professional project manager with a track record of successful delivery in the not-for-profit sector who will be responsible for:

- developing the initial project management documentation
- advising and coaching the NowByou director of campaigns, who is sponsoring the project
- mentoring the staff member who will be appointed as project manager
- advise the project team how to use a variety of media (tv, press, and social networks) for this, and other future projects.

There is a high-level view of the project, but this is to be confirmed, as pre-project discussions are still occurring:

Stage 1 (initiation)

- business case
- project initiation documentation

Stage 2

- campaign high-level requirements gathering
- options analysis

Stage 3

- implementation of chosen option(s)
- closure.

The main output from the project will be a delivered multi-channel campaign.

PRINCE2 7th Edition Module 1 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.



You do however, get sample paper examples with answers.

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. PRINCE2 is a project management method composed of five integrated elements. What are they?
2. What are the FOUR layers within PRINCE2?
3. What are the names of the minimum number of stages within PRINCE2 project?
4. Which Process is not used within a Stage?
5. Which process is used to assemble the PID
6. Which process is used to create the project products?
7. Name the four PRINCE2 Plans, and which is optional?
8. Complete the PRINCE2 definition for a project "A temporary organization that is created"
9. What are the FIVE characteristics of a project?

10. For each of those FIVE characteristics, state for each one or two typical challenges that could result.
11. What are the SEVEN performance targets? (Hint. They are also the seven tolerance types)
12. Complete this sentence "The agreement of performance target tolerance amounts helps"
13. PRINCE2 suggests THREE delivery methods. Describe each.
14. PRINCE2 has FOUR layers. Explain how tolerances are used within them and what management products are used in each.
15. Describe the FOUR roles used within the PRINCE2 organizational context.
16. Complete the sentence "For PRINCE2, the term 'customer' is only used ..."
17. Name the SEVEN PRINCE2 Practices.
18. Name the SEVEN PRINCE2 Processes
19. Which practice answers the question "Who?"
20. Which practice answers the question "Why?"
21. Which practice answers the question "How", "How much", and "When"?
22. Which practice answers the question "What?"
23. Which practice answers the question "What If?"
24. Which practice answers the question "What now?"
25. Which practice answers the question "Where are we now"? "Where are we going"? "Should we continue?"
26. Complete the sentence: "each PRINCE2 management approach defines the _____, _____, and _____ to be applied"

27. Name the NINE management approaches contained with the Project Initiation Documentation
28. Complete the sentence: "Contextual factors such as the project's _____ and _____ will influence the level of control required"
29. Name the FOUR main areas of Sustainability giving an example from each.
30. Sustainability is included in PRINCE2 through FOUR main areas. What are they?
31. Give an example of sustainability metrics within a project product.
32. When discussing PRINCE2's features and benefits, it states SEVEN benefit areas that the method provides. Can you write them out?
33. Complete the sentence: "It is best to think of projects as _____ rather than small and _____ rather than large"
34. PRINCE2 can be tailored to the scale of the project via governance arrangements, controls, roles, management approaches, documentation, stages, work packages, performance targets and tolerances.
In your own words, explain how each might be used to set project scale.
35. What should happen if, during the Project, the business justification is no longer valid?
36. What three interests should be represented on the Project Board?
37. Who has the responsibility to seek out Lessons Learned?
38. In which document will you find business justification to start the project?
39. Why are stages referred to as Management Stages?
40. Describe what is meant by Manage by Exception?
41. In which document should it be described how the PRINCE2 method is tailored for that specific project?
42. In which process are the project's specialist products created?

FOUNDATION QUESTIONS

1. Which is a delivery approach that is defined as starting the next delivery step only when the previous step has been completed and the product is made available at the end of project?

- A. Linear-sequential
- B. Hybrid
- C. Iterative-incremental
- D. Event-driven

2. Which characteristic of a project relates to teams from different organizations working together?

- A. Cross-functional
- B. Unique
- C. Temporary
- D. Change

3. 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

4. Which is a characteristic of a project that distinguishes it from business as usual?

- A. Projects continue after business-as-usual resumes
- B. Projects include ongoing management of operations
- C. Every project will be different to previous projects
- D. Project work is generally less risky than business as usual work

5. 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

6. 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

7. 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

8. 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

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 is a delivery approach that is defined as starting the next delivery step only when the previous step has been completed and the product is made available at the end of project?

A. Linear-sequential

B. Hybrid

C. Iterative-incremental

D. Event-driven

A. Correct. "Each of the delivery steps to create the products occurs in sequence, and the product is made available during or at the end of the project (for example, in a construction project where requirements gathering, and design occur before construction starts)." Ref 1.5.3

2. Which characteristic of a project relates to teams from different organizations working together?

A. Cross-functional

B. Unique

C. Temporary

D. Change

A. Correct. Projects are cross-functional. "Projects often across the usual functional divisions within an organization sometimes span different organizations." Ref 1.3

3. 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

4. Which is a characteristic of a project that distinguishes it from business as usual?

A. Projects continue after business-as-usual resumes

B. Projects include ongoing management of operations

C. Every project will be different to previous projects

D. Project work is generally less risky than business as usual work

C. Correct. "Every project is unique... But each one will differ in a certain way. This can mean a different team, customer, supplier, location, or timeframe. All these factors combine to make every project unique. Ref 1.3

5. 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

6. 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

7. 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

8. 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

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