PROJEX ACADEMY

PRINCE2®
7th Edition
Terminology Checklist

PRINCE2®

Handy Reference

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PRINCE2 7th Edition Terminology Checklist

Acceptance

The formal act of acknowledging that the project has met agreed acceptance criteria and thereby met the requirements of its stakeholders.

acceptance criteria

A prioritized list of criteria that the project product must meet before the user will accept it. For example, measurable definitions of the attributes required for the set of products to be acceptable to key stakeholders.

Accountable

The single person who 'owns' a task. Unlike responsibility, accountability cannot be delegated.

Activity

Each PRINCE2 process comprises a set of activities, which may be performed in sequence or in parallel during the project. PRINCE2activities comprise a set of recommended actions designed to achieve a particular result.

agile and agile methods

A broad term for a collection of behaviours, frameworks, concepts, and techniques that go together to enable teams and individuals to work in an agile way that is typified by collaboration, prioritization, iterative and incremental delivery, and timeboxing. There are several specific methods (or frameworks)that are classed as agile, such as Scrum and Kanban. PRINCE2 can be applied in an agile way.

Approval

The formal confirmation that a product is complete and meets its requirements (less any concessions) as defined by its product description.

approver (in quality context)

The person or group (for example, a project board) who is identified as qualified and authorized to approve a (management or specialist) product as being complete and fit for purpose.

Assumption

A statement that is taken as being true for the purposes of planning but which could change later. An assumption is made where some facts are not yet known or decided and is usually reserved for matters of such significance that if they change or prove not to be true, there will need to be considerable replanning.

Authority

The right to allocate people and resources and make decisions (applies to project, stage, and team levels).

Authorization

The point at which an authority is granted.

baseline management product

A type of management product that defines aspects of the project and, when approved, is subject to change control.

Benefit

The measurable improvement resulting from an outcome that is perceived as an advantage by the investing organization and contributes towards one or more business objectives.

benefits Tolerance

The permissible deviation in the benefit performance targets that is allowed before the deviation needs to be escalated to the next level of management. Benefits tolerance is documented in the business case. See also tolerance.

Business

The organization that provides the project mandate and the structure within which the project is governed. Any use of the term ‘business’ within the Official Book specifically refers to this organization.

business case

The purpose of the business case is to document the business justification for undertaking a project, based on the estimated costs against the expected benefits to be gained and offset by any associated risks. It should outline how and when the expected benefits can be measured.

business layer

The layer of governance outside the project team that sets the overall objectives and tolerance levels for the project and holds the project board accountable for meeting them.

business objective

The measurable outcomes that demonstrate progress in relation to the organization's strategy and to which the project should contribute.

business opportunity

An issue that represents previously unanticipated positive consequences for the project or user organization.

Capability

The completed set of project outputs required to deliver an outcome.

Change

A change is defined as a modification to any of the approved management products that constitute the project baseline.

change authority

A person or group to which the project board may delegate responsibility for the consideration of requests for change or off-specifications. The change authority may be given a change budget and can approve changes within that budget.

change budget

The money or authorized constraints set aside in a plan to cover changes. It is allocated by those with delegated authority to deliver authorized changes.

change control

The process by which changes that may affect the project baseline are identified, assessed, and then approved, rejected, or deferred.

change management

The means by which an organization transitions from the current state to the target state.

Checkpoint

A team-level, time-driven review of progress.

checkpoint report

A report to the project manager by a team manager of the status of the work package at a frequency defined in the work package description.

closure recommendation

A recommendation prepared by the project manager for the project board to send as a project closure notification to the business when the board is satisfied that the project can be closed.

co-creation

A specific form of collaboration involving users and key influencers in the design of products and agreed ways of working to ensure they are adopted by the project and organizational ecosystems.

Collaboration

People from across the project eco system working together to achieve the project's objectives.

communication management approach

This explains how team members will actively engage with and support each other and how relationships will be developed between different groups within the wider project ecosystem.

Concern

An issue whose timeliness and impact need to be assessed.

Concession

An off-specification that is accepted by the project board without corrective action.

Constraints

The restrictions or limitations by which the project is bound.

corrective action

A set of actions to resolve a threat to a plan's tolerances or a defect in a product.

cost tolerance

The permissible deviation in a plan's cost that is allowed before it needs to be escalated to the next level of management. See also tolerance.

Culture

The set of shared attitudes, values, goals, and ways of working that characterize a group of people.

Customer

The person or group from the business who commissioned the work and will benefit from the end results. The term 'customer' is only used where there is a commercial relationship between the business and the supplier.

daily log

A log used to record problems/concerns that can be handled by the project manager informally.

Dashboard

A way of representing vast amounts of decision-support data that gives a current summary, usually in graphic, easy-to-read form, of key information relating to progress and performance.

data analytics

The means of using and analysing data to support effective decision-making or to bring efficiency through the automation of tasks.

Deliverable

See output.

delivery method

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. Typical delivery methods include iterative-incremental, linear-sequential, or hybrid.

delivery model

The organizational and commercial arrangements to be deployed to meet the project objectives given the project constraints and capabilities of the user, business, and supplier organizations. It is described in the commercial management approach and reflected in the project management team structure.

Dependency

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

DevOps

An organizational culture that aims to improve the flow of value to customers. DevOps focuses on culture, automation, Lean, measurement, and sharing (CALMS).

dis-benefit

The measurable decline resulting from an outcome perceived as negative by the investing organization and which detracts from one or more business objectives.

early warning indicators

Describe indicators to be used to track critical aspects of the project so that if certain predefined levels are reached, corrective action will be triggered. They will be selected for their relevance to the project objectives.

end project report

A report given by the project manager to the project board, confirming the handover of all products. It includes a review of the performance of the project, any subsequent recommendations, and request approval to close the project.

end stage report

A report given by the project manager to the project board at the end of each stage. This provides information about the project's performance during the stage and the project status at the stage end.

event-driven control

A control that takes place when a specific event occurs. This could be, for example, the end of a stage, the completion of the project initiation documentation, or the creation of an exception report. It could also include organizational events that may affect the project, such as the setting of annual budgets.

Exception

A situation where it can be forecast that there will be a deviation beyond the tolerance levels agreed between the project manager and the project board (or between the project board and business layer).

exception plan

A plan that follows an exception report and explains how the project will respond to the exception within the stage.

exception report

A report from the project manager to the project board to explain where tolerances have or are forecast to be breached for the stage or project and to request direction from the project board.

external dependency

An external dependency is one between a project product and a product or activity outside the scope of the project. In these circumstances, the project team does not have complete control over the dependency.

external products

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

follow-on action recommendations

Actions to be taken by the business following the phased handover of any products during the stage.

Forecast

A prediction made by studying historical data and past patterns.

Governing

The ongoing activity of maintaining a sound system of internal control by which the directors and officers of an organization ensure that effective management systems, including financial monitoring and control systems, have been established to protect assets, earning capacity, and the reputation of the organization.

Handover

The transfer of ownership of a set of products to the respective user(s). The set of products is known as a release. There may be more than one handover in the life of a project (phased delivery). Confirmation of the final handover takes place in the 'closing a project' process.

highlight report

A time-driven report from the project manager to the project board on stage progress.

initiation stage

The period from when the project board authorizes initiation to when it authorizes the project (or decides not to proceed with it). The detailed planning and establishment of the project management infrastructure is covered by the 'initiating a project' process.

internal dependency

An internal dependency is one between two products of a project. In these circumstances, the project team has control over the dependency.

Issue

An event relevant to the project that requires project management consideration.

issue register

A register used to capture and maintain information on all of the issues that are being managed formally. The issue register should be monitored by the project manager on a regular basis.

issue report

A report containing the description, impact assessment, and recommendations for a response to an issue. It is created only for those issues that need to be handled formally.

Leadership

Motivating people to achieve a project's objectives. On projects, this is best done through collaboration across the project ecosystem, persuading, influencing, and co-creating with a focus on managing key relationships and seeking regular feedback to ensure team members remain aligned to the project's objectives and agree to joint ways of working.

Lesson

A lesson is information to facilitate the future of the project or other projects and actively promote learning from experience. The experience may be positive, as in a successful test or outcome, or negative, as in a mishap or failure.

lessons log

An informal repository for lessons that apply to this project or future projects.

Log

An informal repository managed by the project manager that does not require any agreement by the project board on its format and composition. PRINCE2 has two logs: the daily log and the lessons log.

Management

Instructing the execution of tasks in line with agreed ways of working. Co-creating ways of working with project team members (and stakeholders) significantly improves people's willingness to be managed in line with them.

management approaches

The procedures, techniques, and standards to be applied and the responsibilities for: benefits management, change management, commercial management, communication management, data management, issue management, quality management, risk management, and sustainability management.

management product

A product that will be required as part of managing the project and establishing and maintaining quality (for example, highlight report and end stage report). The management products are constant, whatever the type of project, and can be used as described, or with any relevant modifications, for all projects. There are three types of management product: baselines, records, and reports.

Milestone

A significant event in a plan's schedule, such as completion of key work packages, a development step, or a stage.

minimum viable product

Used in agile development methods to describe a product with just enough features to satisfy early customers, who can then provide feedback for future product development.

off-specification

A product that will not meet its quality specifications.

operational and maintenance acceptance

A specific type of acceptance by the person or group that will support the product after it has been delivered to the operational environment.

organizational ecosystem

The internal elements of an organization(including staff, board, owners, and other stakeholders) together with the organization's external relationships such as customers, partners, suppliers, regulators, and competitors.

Outcome

The result of change, normally affecting real-world behaviour and circumstances. Changes are implemented to achieve outcomes, which are achieved as a result of the activities undertaken to facilitate the change.

outline business case

Reasons why the project is needed, and the business option that is selected.

Output

The tangible or intangible deliverable of an activity.

performance target

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.

Plan

A proposal that outlines the what, where, when, how, and who of the project as a whole (or a subset of its activities). In PRINCE2, there are the following types of plan: project plan, stage plan, team plan, and exception plan.

planning horizon

The period of time for which it is possible to plan accurately.

Portfolio

The totality of an organization's investment (or segment thereof) in the changes required to achieve its strategic objectives.

Practice

An aspect of project management that must be applied consistently and throughout the project lifecycle. The practices require specific treatment of that aspect of project management for the PRINCE2 processes to be effective.

premature closure

The PRINCE2 activity to close a project before its planned closure. The project manager must ensure that work in progress is not simply abandoned but that the project salvages any value created to date. They must check that any gaps left by the cancellation of the project are raised to the business.

prerequisites (plan)

Any fundamental aspects that must be in place, and remain in place, for a plan to succeed.

PRINCE2 principles

The guiding obligations that determine whether the project is genuinely being managed usingPRINCE2 and ensure effective application and tailoring of PRINCE2 to any project.

PRINCE2 project

A project that applies the PRINCE2 principles.

Probability

This is the evaluated likelihood of a particular threat or opportunity actually happening, including a consideration of the frequency with which this may arise.

Problem

An issue with an immediate and negative impact.

Procedure

A series of actions for a particular aspect of project management established specifically for the project (for example, a risk management procedure).

Process

A structured set of activities that define the sequence of actions and their inputs and outputs to achieve a specific objective. There are seven project processes in the PRINCE2 method.

producer (in a quality context)

The person or group responsible for developing a product.

Product

An input or output, whether tangible or intangible, that can be described in advance, created, and tested. PRINCE2 includes four types of products: management products, specialist products, the project product, and external products.

product backlog

Used in agile development methods to provide a list of new features for a product. The list may be made up of user stories that are structured in a way that describes who wants the feature and why.

product breakdown structure

A hierarchy of all the products to be produced during a plan.

product description

A description of a product's purpose, format, composition, derivation, quality specifications, and development responsibilities.

product flow diagram

A diagram showing the sequence of production and interdependencies of the products listed in a product breakdown structure.

product register

A component of the project log that identifies the products to be delivered by the project and records their acceptance.

product-based planning

The PRINCE2 technique leads to a plan based on the creation and delivery of the required products.

Programme

A temporary structure designed to lead multiple interrelated projects and other work in order to progressively achieve outcomes of benefit for one or more organizations.

Progress

The measure of the achievement of the objectives of a plan.

Project

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

project approach

Defines the choice of solution and delivery method that will be used in the project to deliver the business option selected from the business case, considering the operational environment into which the solution must fit.

project assurance

The project board's responsibilities to assure itself that the project is being conducted correctly. The project board members each have a specific area of focus for project assurance, namely business assurance for the executive, user assurance for the senior user(s), and supplier assurance for the senior supplier(s).

project baseline

The current version of the management products and specialist products that are subject to change control.

project board

Accountable to the business for the success of the project and has the authority to direct the project within the remit set by the business.

project brief

A statement that describes the purpose, cost, time and performance requirements, and constraints for a project. It is created before the project begins, during the 'starting up a project' process, and is used during the 'initiating a project' process to create the project initiation documentation. It is superseded by the project initiation documentation and not maintained.

project closure notification

Advice from the project board to inform all stakeholders and the host sites that the project resources can be disbanded and support services such as space, equipment, and access can be demobilized. It should indicate a closure date for costs to be charged to the project.

project definition

Explains what the project needs to achieve and should include: background context, project objectives and desired outcomes, project scope (inclusions and exclusions), constraints and assumptions, the user(s) and any other interested parties, and interfaces.

project ecosystem

Those elements of the business involved in or directly impacted by the project and the associated users and suppliers.

project executive

The individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. This individual should ensure that the project maintains its business focus, that it has clear authority, and that the work, including risks, is actively managed. The executive is the chair of the project board.

project initiation documentation

A logical set of documents that brings together the key information needed to start the project on a sound basis and that conveys the information to all concerned with the project.

project initiation notification

Advice from the project board to inform all stakeholders and the host sites that the project is being initiated and to request any necessary logistical support (for example, communication facilities, equipment, and any project support) sufficient for the initiation stage.

project lifecycle

The period from initiation of a project to the acceptance of the project product.

project management

The application of methods, tools, techniques, and competencies to a project.

project management team

The entire management structure of the project board, and the project manager, plus any team manager, project assurance, and project support roles.

project management team structure

An organization chart showing the people assigned to the project management team roles to be used, their delegation, and reporting relationships.

project manager

The person given the authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the project board.

project mandate

An external product generated by the authority commissioning the project that forms the trigger for starting up a project.

project office

A temporary office created to support the delivery of a specific change initiative being delivered as a project. If used, the project office undertakes the responsibility of the project support role.

project plan

A high-level plan showing the major products of the project and when, how, and at what cost they will be delivered.

project product

What the project must deliver in order to gain acceptance.

project product description

A description of the project's major products or outcomes, including the user's quality expectations, together with the acceptance criteria and acceptance methods for the project.

project support

An administrative role in the project management team. Project support can be in the form of advice and help with project management tools, guidance, administrative services such as filing and the collection of actual data.

project team

PRINCE2 uses the term project team to cover all people required to allocate their time to the project.

Quality

The degree to which a set of inherent characteristics of a product, service, process, person, organization, system, or resource fulfils its requirements.

quality assurance

A planned and systematic activity that provides confidence that products will meet their defined quality specifications when tested under quality control. Quality assurance activities are typically performed by the business ensuring they are independent of the project team.

quality control

The procedures to monitor the specific products of a project and their development or delivery activities to determine whether they comply with relevant standards andof identifying ways to minimize causes of unsatisfactory performance.

quality management approach

The description of the quality techniques and standards to be applied and the roles and responsibilities for achieving the required quality criteria and acceptance criteria during a project.

quality planning

The capturing of quality specifications for the project products and generating the associated product descriptions and quality management approach.

quality register

A component of the project log that identifies all the quality control activities that are planned or have occurred and provides information for end stage reports and the end project report.

quality review

Quality reviews assess whether a product is complete, adheres to standards, and meets its quality specifications. They may need to be conducted at multiple points in the development of a complex product.

quality specification

A description of the quality measures that will be applied by those performing quality control and the levels that a finished product must meet.

quality tolerance

The permissible deviation in a product’s quality that is allowed before the deviation needs to be escalated to the next level of management.

Records

Records are dynamic management products that maintain information regarding project progress. These are collectively referred to as the project log and include the daily log, issue register, lessons log, product register, quality register, and risk register.

Reports

Management products providing a snapshot of the status of certain aspects of the project.

request for change

A proposal for a change to a baseline.

Requirement

A need or expectation that is documented in an approved management product.

residual risk

The risk remaining after the risk response has been applied.

Resource

The goods, services, equipment, materials, facilities, and funding required to complete a plan.

Responsible

The person (or people) who has the authority and is expected to perform a task. Responsibility can be delegated.

reviewer (in quality context)

A person or group independent of the producer who assesses whether a product meets its requirements as defined in its product description.

Risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring and the magnitude of its impact on objectives.

risk action owner

The person who is the nominated owner of agreed actions to respond to a risk. This role is also known as the risk actionee.

risk appetite

The amount and type of risk that the business is willing to take in pursuit of its objectives.

risk budget

A sum of money to fund specific management responses to the project's threats and opportunities (for example, to cover the costs of any contingent plans should a risk materialize)

risk evaluation

The process of understanding the net effect of the identified threats and opportunities on an activity when aggregated together.

risk exposure

The degree to which a particular objective is 'at risk'. Risk exposure is a neutral concept, as exposure can be positive or negative.

risk impact

The systematic application of principles, approaches, and processes to the tasks of identifying and assessing risks, planning and implementing risk responses, and communicating risk management activities with stakeholders.

risk management

A sum of money to fund specific management responses to the project's threats and opportunities (for example, to cover the costs of any contingent plans should a risk materialize).

risk management approach

An approach describing the goals of applying risk management, as well as the procedure that will be adopted, roles and responsibilities, risk tolerances, the timing of risk management interventions, the tools and techniques that will be used, and the reporting requirements.

risk owner

The person who is assigned to take responsibility for responding to a risk to the satisfaction of the relevant governance board.

risk probability

The estimated chance that a risk will occur. Probability is often estimated by considering likelihood or frequency.

risk profile

A description of the types of risk that are faced by an organization and its exposure to those risks.

risk proximity

How near in time a risk might occur.

risk register

A record of identified risks relating to an initiative, including their status and history.

risk response

Actions that may be taken to bring a situation to a level where exposure to risk is acceptable to the organization. These responses fall into a number of risk response categories.

risk tolerance

A measurable threshold to represent the tolerable range of outcomes for each objective 'at risk', using the same units as for measuring performance for that objective.

risk velocity

How quickly a risk would have an impact on objectives should it occur.

Role

The function assigned to a group or individual in a particular project. It is not the same as the position or job of a person outside of that project.

role descriptions

Describe the roles of those in the project management team and their specific responsibilities.

Schedule

A graphical representation of a plan (such as a Gantt chart), typically describing a sequence of tasks together with resource allocations, which collectively deliver the plan.

Scope

The sum of the product, delivery, and management activities represented by an approved plan and its product descriptions and work package descriptions.

scope tolerance

The permissible deviation in a plan's scope that is allowed before it needs to be escalated tot he next level of management. See tolerance.

senior supplier

The project board role that provides knowledge and experience of the main discipline(s)involved in the production of the project's deliverable(s). The senior supplier represents the supplier's interests within the project and provides supplier resources.

senior user

The project board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.

specialist product

A product whose development is the subject of the plan. The specialist products are specific to an individual project (for example, an advertising campaign, a car park ticketing system, foundations for a building, or a new business process). Also known as a deliverable. See also output.

Sponsor

The main driving force behind a programme or project. PRINCE2 does not define a role for the sponsor, but the sponsor is most likely to be the project executive on the project board or the person who has appointed the executive.

Sprint

A fixed timeframe (typically of 2–4 weeks) for creating selected features from the backlog.

Stage

The section of a project that the project manager is managing on behalf of the project board at any one time.

stage plan

A detailed plan used as the basis for project management control throughout a stage.

Stakeholder

Any individual, group, or organization that can affect or be affected by (or perceives itself to be affected by) the project.

Supplier

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

sustainability management approach

Defines the actions, reviews, and controls that will be established to ensure that sustainability performance targets for the project are achieved.

sustainability tolerance

The permissible deviation in the sustainability performance targets that is allowed before the deviation needs to be escalated to the next level of management. Sustainability tolerance is documented in the business case. See tolerance.

Tailoring

Adapting a method or process to suit the situation in which it will be used.

team manager

The person responsible for the production of products allocated by the project manager(as defined in a work package description)to an appropriate quality, timescale, and a cost acceptable to the project board. This role reports to, and takes direction from, the project manager. If a team manager is not assigned, the project manager undertakes the responsibilities of the team manager role.

team plan

A plan used as the basis for organizing and controlling the work of a team when executing a work package. Team plans are optional inPRINCE2.

Threat

An uncertain event that could have a negative impact on objectives or benefits.

Time

The period over which the project will run and the period over which the benefits will be realized.

Timebox

A finite period of time when work performed to achieve a goal or meet an objective. The deadline should not be moved, as the method of managing a timebox is to prioritize the work inside it. At a low level, a timebox will be a matter of days or weeks (for example, a sprint).Higher-level timeboxes act as aggregated timeboxes and contain lower-level timeboxes(for example, stages).

time-driven control

A management control that takes place at predefined periodic intervals. For example, this could be producing highlight reports for the project board or checkpoint reports showing the progress of a work package.

time tolerance

The permissible deviation in a plan’s time tha tis allowed before the deviation needs to be escalated to the next level of management. See also tolerance

tolerance

The permissible deviation above and below the plan’s target for benefits, cost, time, quality, scope, sustainability, and risk without needing to escalate the deviation to the next level of management. Tolerance is applied at project, stage, and team levels.

Transformation

A distinct change to the way an organization conducts all or part of its business.

Trigger

An event or decision that triggers a PRINCE2 process to begin.

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.

user acceptance

A specific type of acceptance by the person or group who will use the product after it has been delivered to the operational environment.

user story

A tool used to write a requirement in the form of who, what, and why.

user's quality expectations

A statement about the quality expected from the project product, captured in the project product description.

work breakdown structure

A hierarchy of all work done during a project that forms a link between the product breakdown structure and the work packages.

work package

Work assigned to a team manager requiring the delivery of one or more products.

work package description

The set of information relevant to the delivery of one or more products. It will contain a description of the activities to be performed, identification of the resources involved, the relevant product descriptions for the products to be delivered, and details of any constraints on production.