

# PRINCE2

## History

PRINCE2 is derived from the earlier PRINCE project management method, which was initially developed in 1989 by the Central Computer and Telecommunications Agency (CCTA) as a UK Government standard for information systems (IT) project management; however, it soon became regularly applied outside the purely IT environment.<sup>[citation needed]</sup> PRINCE2 was released in 1996 as a generic project management method. PRINCE2 has become increasingly popular<sup>[citation needed]</sup> and is now the *de facto* standard for project management in the UK.<sup>[citation needed]</sup> Its use has spread beyond the UK to more than 50 other countries.<sup>[citation needed]</sup>

The most current revision was released in 2005 by the Office of Government Commerce, and it is currently undergoing a refresh for 2008-9.<sup>[citation needed]</sup>

## Description of the PRINCE2 method

PRINCE (**PR**ojects **IN** **C**ontrolled **E**nvironments) was first developed by the CCTA, now part of the OGC, in 1989 as a UK Government standard<sup>[citation needed]</sup> for IT project management. Initially developed only for the need of IT projects, the latest version, PRINCE2, is designed for all types of management projects. Figure 1 shows the processes involved in managing a PRINCE2 project and how they link with each other, creating the normal content of a PRINCE2 project.

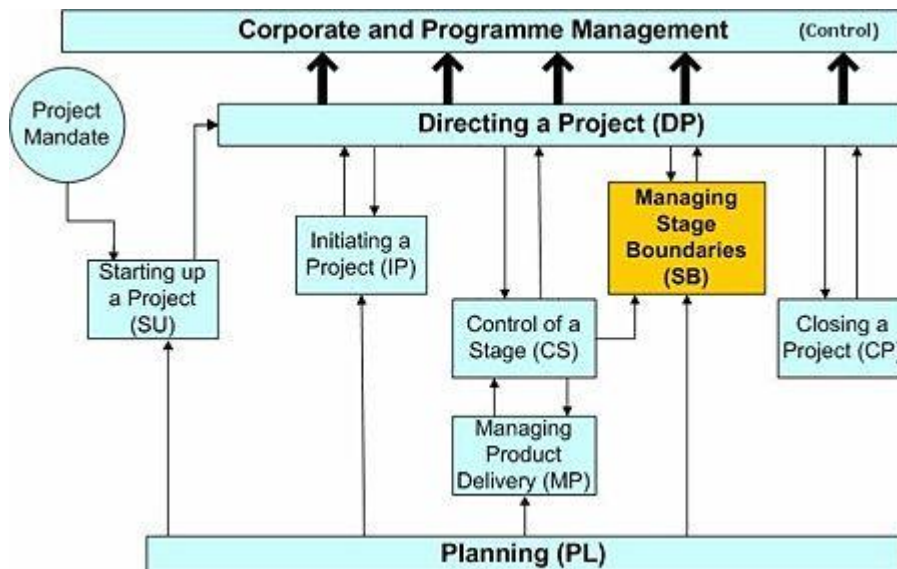


Figure 1: PRINCE2 process model

## Advantages

PRINCE2 is a structured approach to project management. It provides a method for managing projects within a clearly defined framework. PRINCE2 describes procedures to coordinate people and activities in a project, how to design and supervise the project, and what to do if the project has to be adjusted if it doesn't develop as planned. In the method each process is specified with its key inputs and outputs and with specific goals and activities to be carried out, which gives an automatic control of any deviations from the plan. Divided into manageable stages, the method enables an efficient control of resources. On the basis of close monitoring the project can be carried out in a controlled and organized way. Being a structured method widely recognised and understood<sup>[citation needed]</sup>, Prince2 provides a common language for all participants in the project. The various management roles and responsibilities involved in a project are fully described and are adaptable to suit the complexity of the project and skills of the organisation.

## Pitfalls

Prince2 may be considered as inappropriate for very small projects, due to the work required in creating and maintaining documents, logs and lists. This is often a misunderstanding of the scalability that Prince2 offers.<sup>[citation needed]</sup> Because of the various roles and responsibilities involved, participants in the project can easily blame each other when something goes wrong<sup>[citation needed]</sup>. The start up process (SU) should avoid this, but Prince2 allows roles and responsibilities to be agreed in writing by the participants instead.

## Overview of the method

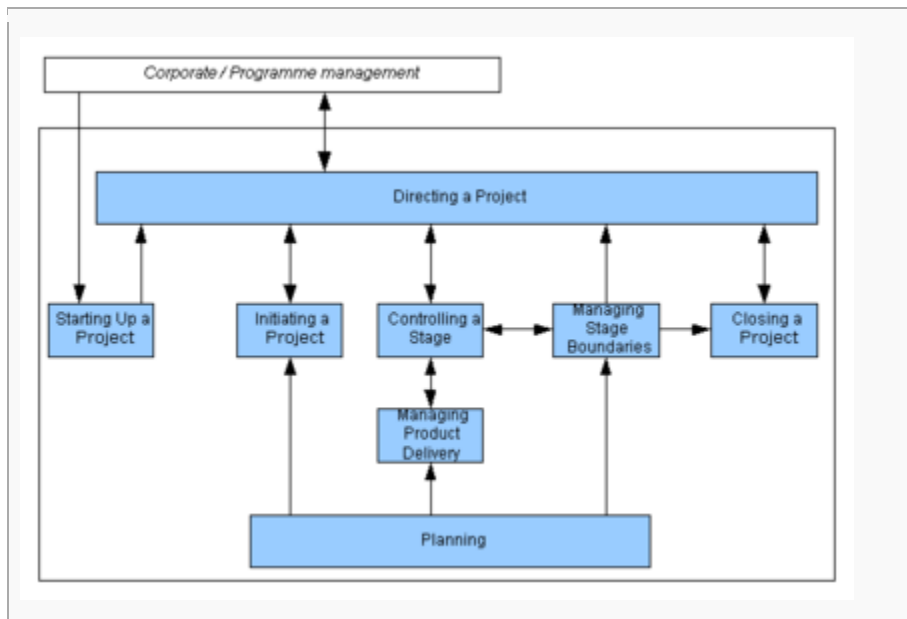


Diagram showing PRINCE2 processes. The arrows represent flows of information.

PRINCE2 is a process-driven project management method<sup>[citation needed]</sup> which contrasts with reactive/adaptive methods such as Scrum. PRINCE2 defines 45 separate sub-processes and organizes these into eight processes as follows:

- Starting Up a Project (SU)
- Planning (PL)
- Initiating a Project (IP)
- Directing a Project (DP)
- Controlling a Stage (CS)
- Managing Product Delivery (MP)
- Managing Stage Boundaries (SB)
- Closing a Project (CP)

### **Starting up a project (SU)**

In this process the project team is appointed and a project brief (describing, in outline, what the project is attempting to achieve and the business justification for doing so) is prepared. In addition the overall approach to be taken is decided and the next stage of the project is planned. Once this work is done, the project board is asked to authorize the next stage, that of initiating the project.

**SU1** Appointing a Project Board Exec and Project Manager

**SU2** Designing a Project Management Team

**SU3** Appointing a Project Management Team

**SU4** Preparing a Project Brief

**SU5** Defining Project Approach

**SU6** Planning an Initiation Stage

### **Planning (PL)**

PRINCE2 advocates product based planning which means that the first task when planning is to identify and analyse products. Once the activities required to create these products are identified then it is possible to estimate the effort required for each and then schedule activities into a plan. There is always risk associated with any work and this must be analysed. Finally, this process suggests how the format of plans can be agreed and ensures that plans are completed to such a format.

**PL1** Designing a Plan

**PL2** Defining and Analysing Products

**PL3** Identifying Activities and Dependencies

**PL4** Estimating

**PL5** Scheduling

**PL6** Analysing Risks  
**PL7** Completing a Plan

### **Initiating a project (IP)**

This process builds on the work of the Start Up (SU) activity and the project brief is augmented to form a Business Case. The approach taken to ensure quality on the project is agreed together with the overall approach to controlling the project itself (project controls). Project files are also created as is an overall plan for the project. A plan for the next stage of the project is also created. The resultant information can be put before the project board for them to authorize the project itself.

**IP1** Planning Quality  
**IP2** Planning a Project  
**IP3** Refining the Business Case and Risks  
**IP4** Setting up Project Controls  
**IP5** Setting up Project Files  
**IP6** Assembling a Project Initiation Document

### **Directing a project (DP)**

These sub-processes dictate how the Project Board (which comprises such roles as the executive sponsor or project sponsor) should control the overall project. As mentioned above, the project board can authorise an initiation stage and can also authorize a project. Directing a Project also dictates how the project board should authorize a stage plan, including any stage plan that replaces an existing stage plan due to slippage or other unforeseen circumstances. Also covered is the way in which the board can give ad hoc direction to a project and the way in which a project should be closed down.

**DP1** Authorising Initiation  
**DP2** Authorising a Project  
**DP3** Authorising a Stage or Exception Plan  
**DP4** Giving Ad Hoc Direction  
**DP5** Confirming Project Closure

### **Controlling a stage (CS)**

PRINCE2 suggests that projects should be broken down into stages and these sub-processes dictate how each individual stage should be controlled. Most fundamentally this includes the way in which work packages are authorized and received. It also specifies the way in which progress should be monitored and how the highlights of the progress should be reported to the project board. A means for capturing and assessing project issues is suggested together with the way in which corrective action should be taken. It also lays down the method by which certain project issues should be escalated to the project board.

- CS1 Authorising Work Package
- CS2 Assessing Progress
- CS3 Capturing Project Issues
- CS4 Examining Project Issues
- CS5 Reviewing Stage Status
- CS6 Reporting Highlights
- CS7 Taking Corrective Action
- CS8 Escalating Project Issues
- CS9 Receiving Completed Work Package

### **Managing product delivery (MP)**

This process consists of three sub-processes and these cover the way in which a work package should be accepted, executed and delivered.

- MP1 Accepting a Work Package
- MP2 Executing a Work Package
- MP3 Delivering a Work Package

### **Managing stage boundaries (SB)**

The *Controlling a Stage* process dictates what should be done within a stage, *Managing Stage Boundaries* (SB) dictates what should be done towards the end of a stage. Most obviously, the next stage should be planned and the overall project plan, risk log and business case amended as necessary. The process also covers what should be done for a stage that has gone outside its tolerance levels. Finally, the process dictates how the end of the stage should be reported.

- SB1 Planning a Stage
- SB2 Updating a Project Plan
- SB3 Updating a Project Business Case
- SB4 Updating the Risk Log
- SB5 Reporting Stage End
- SB6 Producing an Exception Plan

### **Closing a project (CP)**

This covers the things that should be done at the end of a project. The project should be formally de-commissioned (and resources freed up for allocation to other activities), follow on actions should be identified and the project itself be formally evaluated.

- CP1 Decommissioning a Project
- CP2 Identifying Follow-on Actions
- CP3 Project Evaluation Review

## **Techniques**

The PRINCE2 method works with most project management techniques but specifically describes the following:

- Product Based Planning
- Change Control
- Quality Reviews

## **Exams, accreditation and training**

Accreditation is governed by the passing of two exams – the Foundation and the Practitioner. The Foundation Exam is a one-hour, multiple choice exam. The Practitioner Exam lasts for three-hours, and is an objective-testing multiple-choice exam. In the UK, exams are administered by the APM Group. The successful candidate register can be searched on the web.[1]

It is possible for individuals with project management experience to self-study for the exams but a number of training organisations offer courses, many of which also include exam entry in the fee. In the UK there is a non-mandatory accreditation scheme for training providers, run by the APM Group.

PRINCE2 practitioners must retake the practitioner exam every 5 years to remain accredited.

## **Scalability**

Project management is a complex discipline and it would be wrong to assume that blind application of PRINCE2 will result in a successful project. By the same token, it would be wrong to assume that every aspect of PRINCE2 will be applicable to every project. For this reason every process has a note on scalability. This provides guidance to the project manager (and others involved in the project) as to *how much* of the process to apply. The positive aspect of this is that PRINCE2 can be tailored to the needs of a particular project. The negative aspect is that many of the essential elements of PRINCE2 can be omitted sometimes resulting in a PINO project – Prince in Name Only. In order to counter this, APM Group have defined the concept of a PRINCE2 Maturity Model.