



PRINCE2: 2009 Project



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Progress Update

Version 3.6

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Warning: this presentation provides a snapshot of the current approach. As the development is based on continued user consultation the final result may be different. Always check the website for latest information.

www.best-management-practice.com/PRINCE2Register

PRINCE2 History



Formerly known as PRINCE
(and PROMPT before that!)

Introduced by UK central government
because high profile project failures
were too common

Owned by Office of Government
Commerce

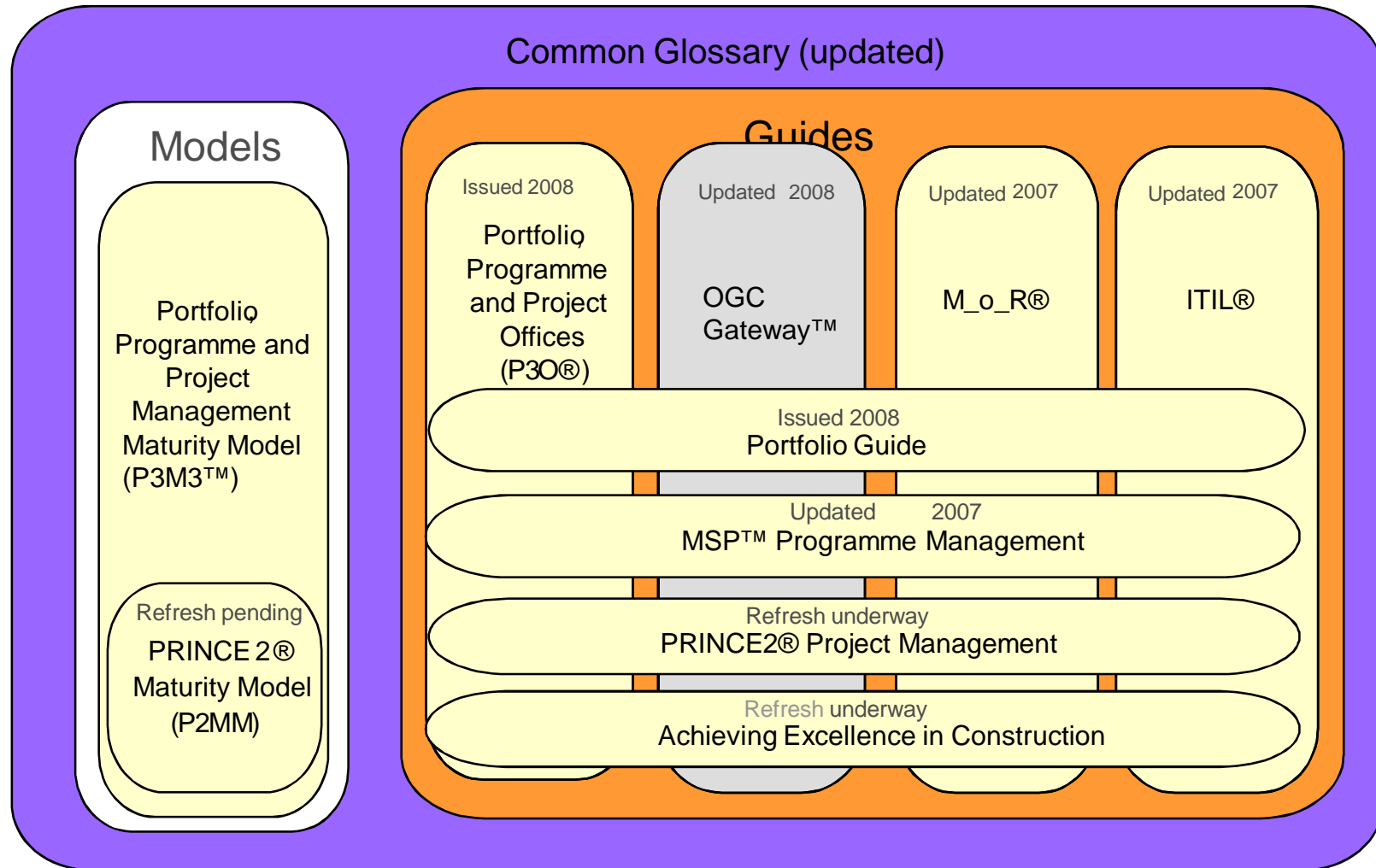
Launched in 1996

- currently in its 4th edition (2005)
- New version due out in 2009

It is generic

It is a project management method, not
a broad body of knowledge on project
management

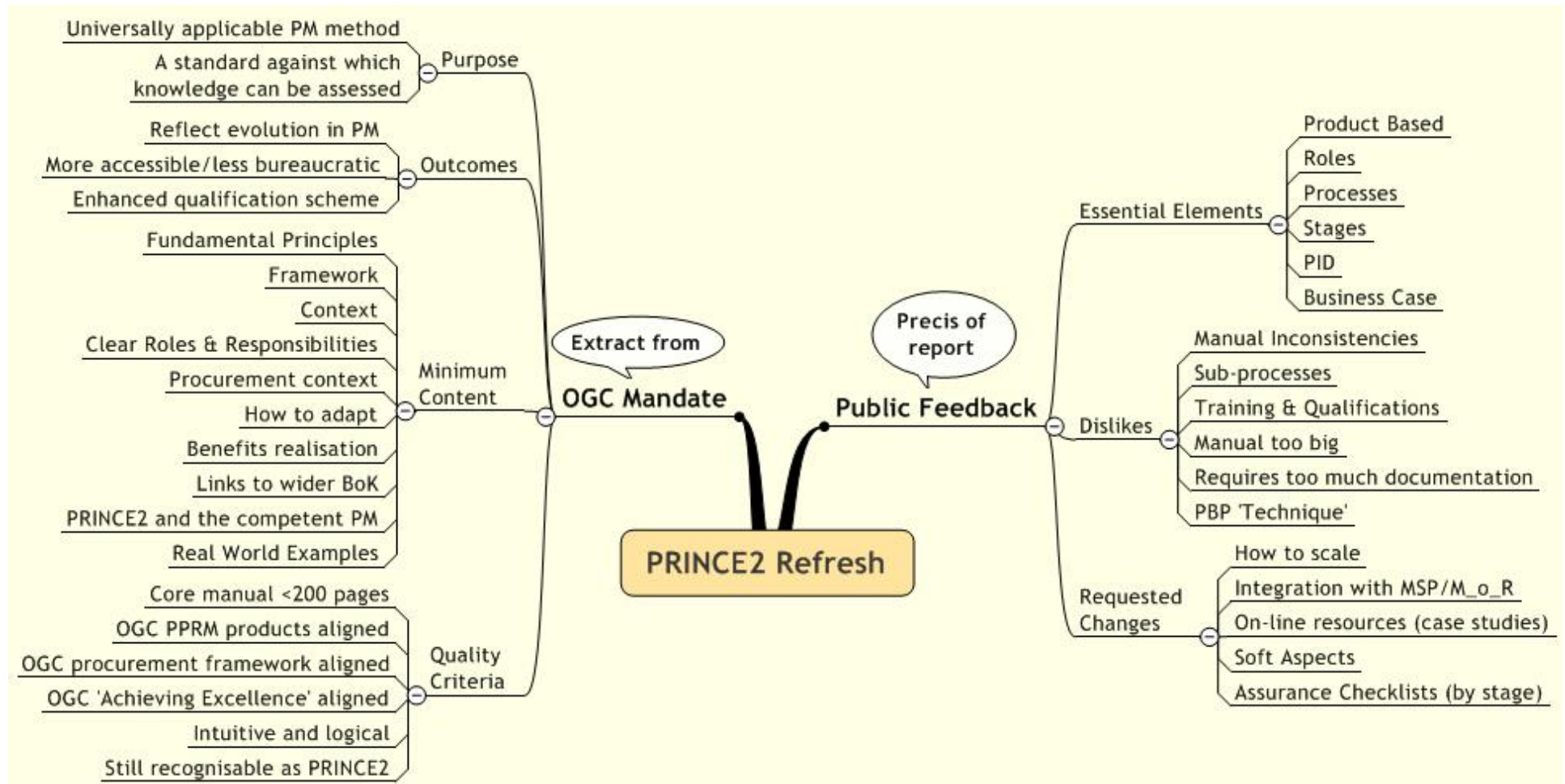
Best Practice Portfolio



Twelve Years of PRINCE2

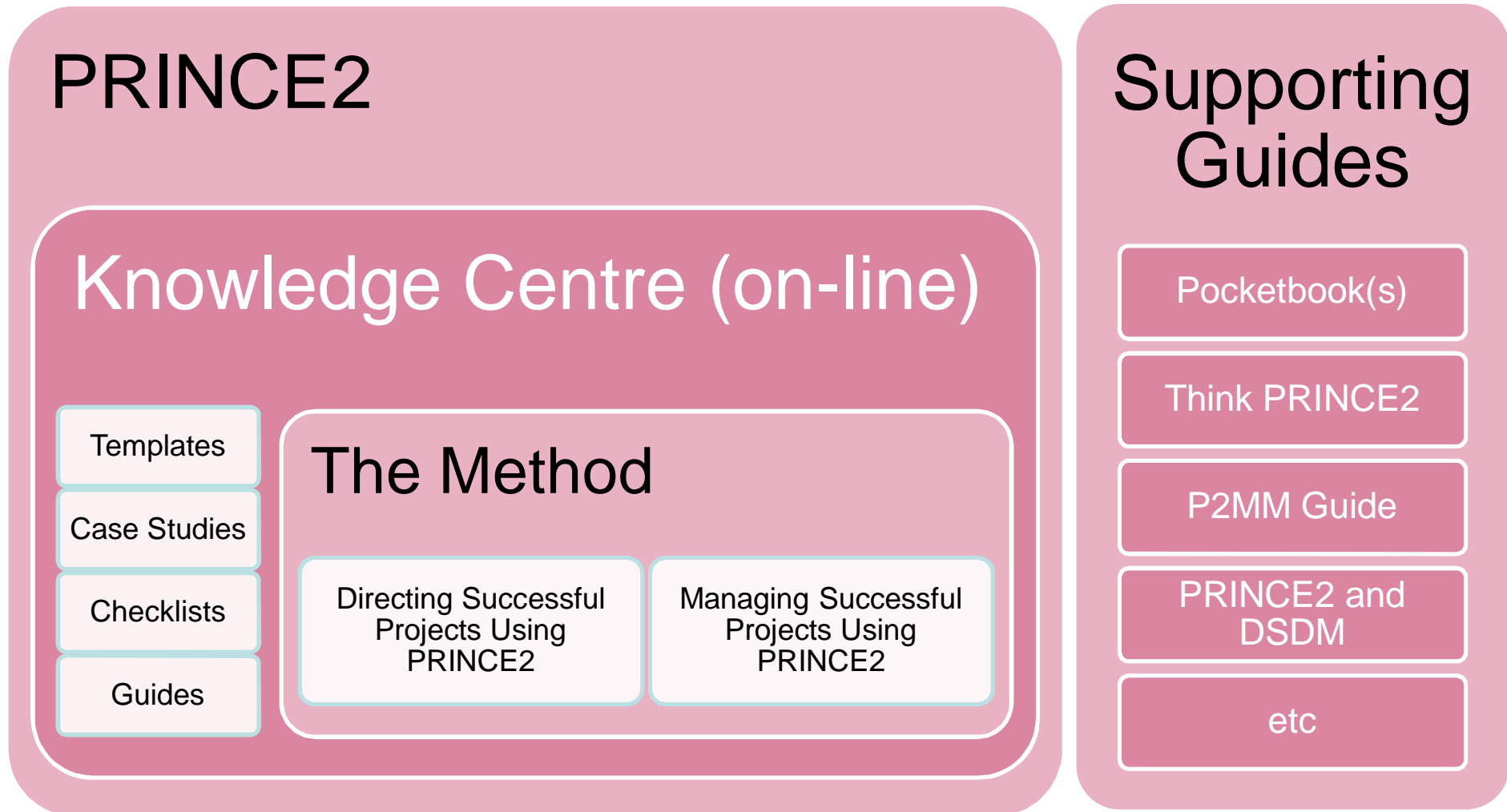
1. More than 250,000 practitioners world-wide
2. There are more than 20 User Groups around the world
3. There are more than 120 accredited training & consulting organisations
4. There are more than 50 software tools supporting PRINCE2™
5. Training courses available in more than 17 languages
6. It is used on all 7 continents
7. It is used on all types of projects (construction, business change, technology)
8. It is the most widely used method
9. Used on its own it doesn't guarantee successful projects

Reasons For Change - mandate

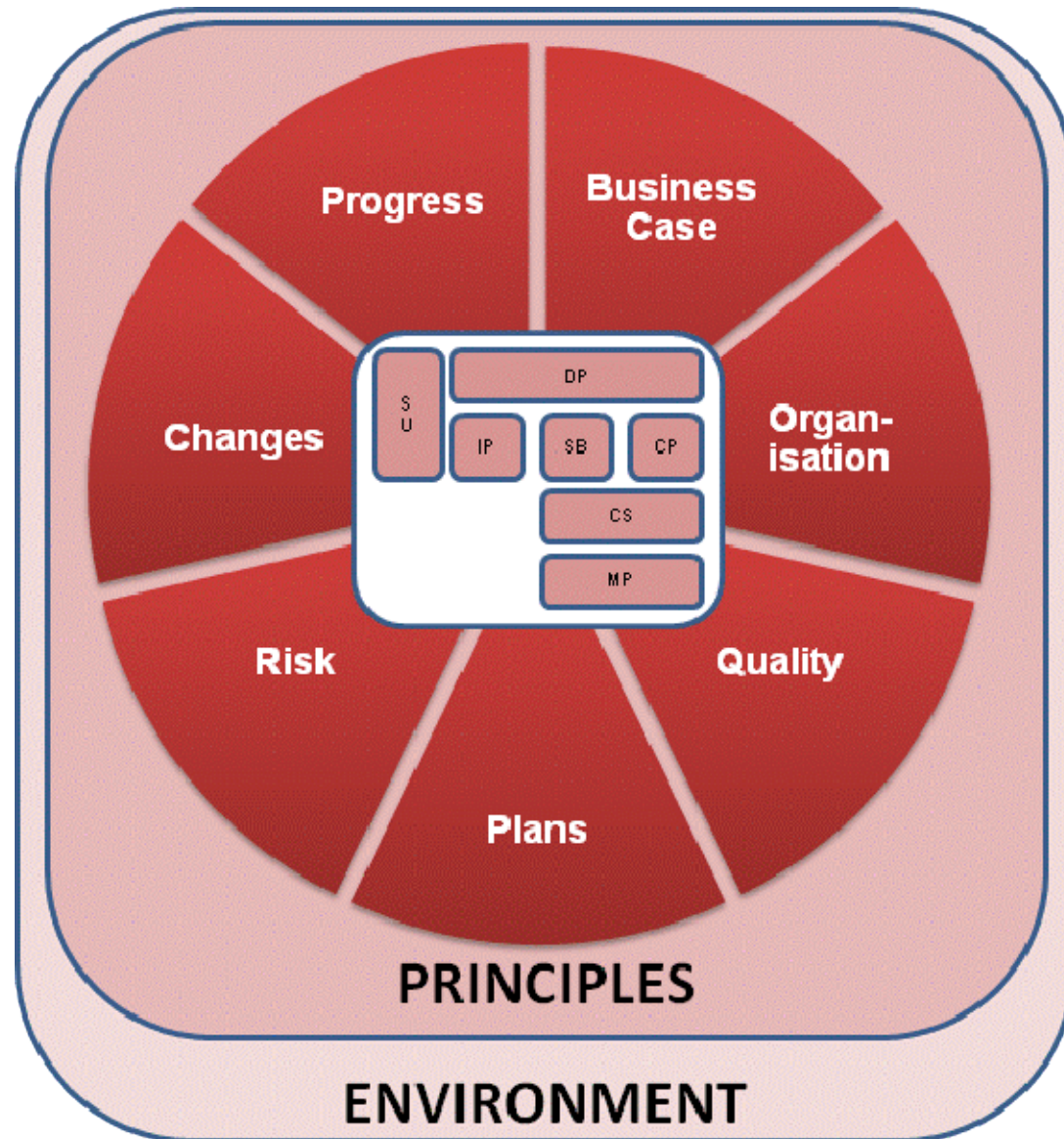


NB, Core Manual size raised to <275 (April 08)

An integrated set of products



Structure of new PRINCE2



What are Principles?

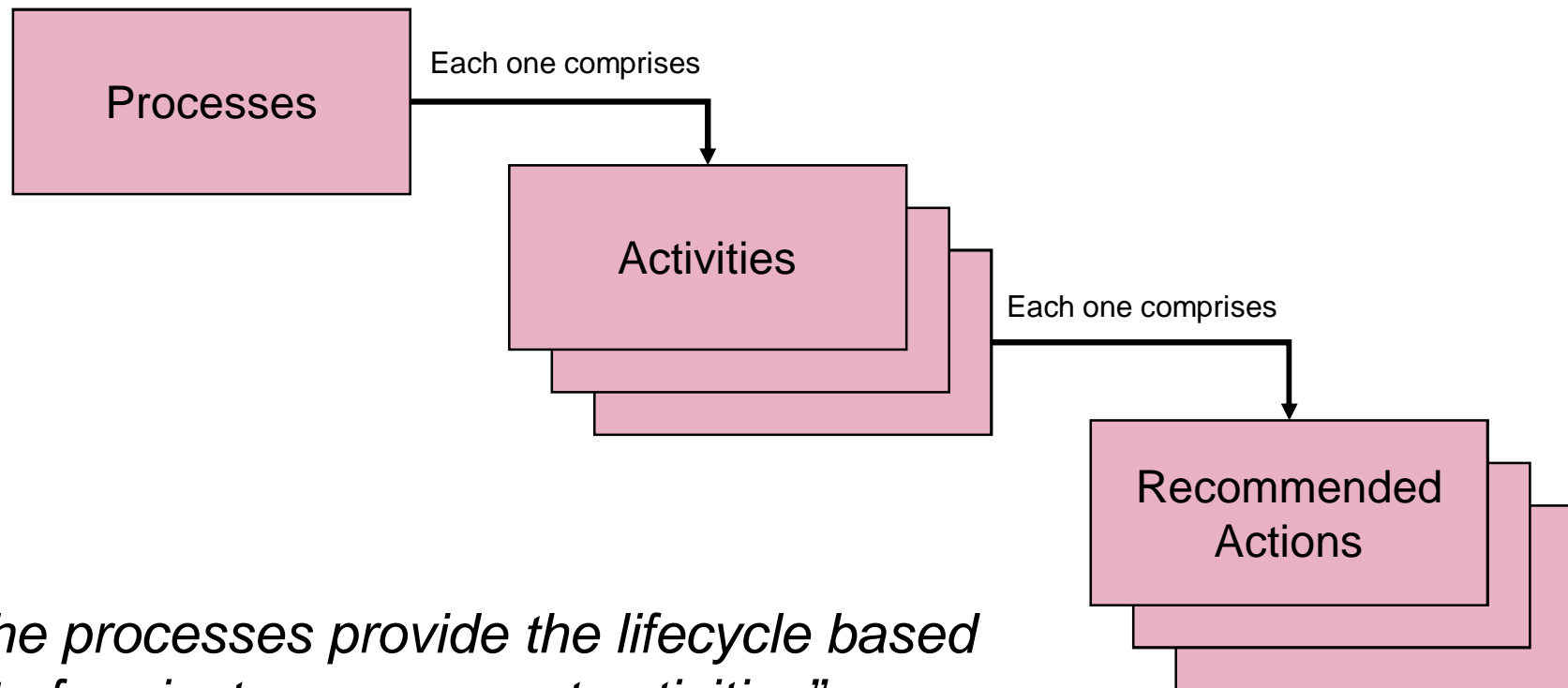
- Principles are:
 - Universal
 - Self Validating
 - Empowering

“A guiding obligation for good practice”

The PRINCE2 Principles

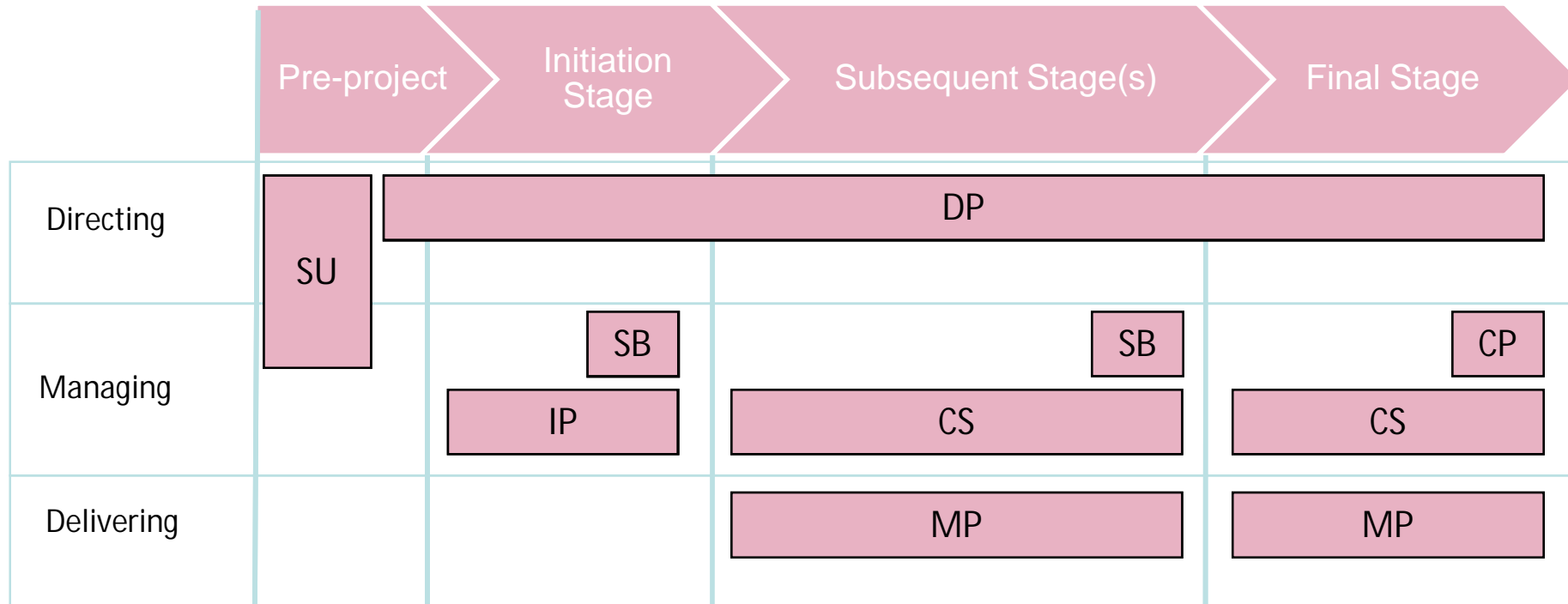
| | |
|-------------------------------------|---|
| Business Justification | A PRINCE2 project has continued business justification |
| Learn from experience | PRINCE2 project teams learn from previous experience (lessons are sought, recorded and acted upon throughout the life of the project) |
| Roles & Responsibilities | A PRINCE2 project has defined and agreed roles and responsibilities with an organisation structure that engages the business, user and supplier stakeholder interests |
| Manage by Stages | A PRINCE2 project is planned, monitored and controlled on a stage by stage basis |
| Manage by Exception | A PRINCE2 project has defined tolerances for each project objective to establish limits of delegated authority |
| Product Focus | A PRINCE2 project focuses on the definition and delivery of products, in particular their quality requirements |
| Tailor | PRINCE2 is tailored to suit the project's size, environment, complexity, importance, capability and risk |

PRINCE2 Processes



“The processes provide the lifecycle based list of project management activities”

PRINCE2 Processes



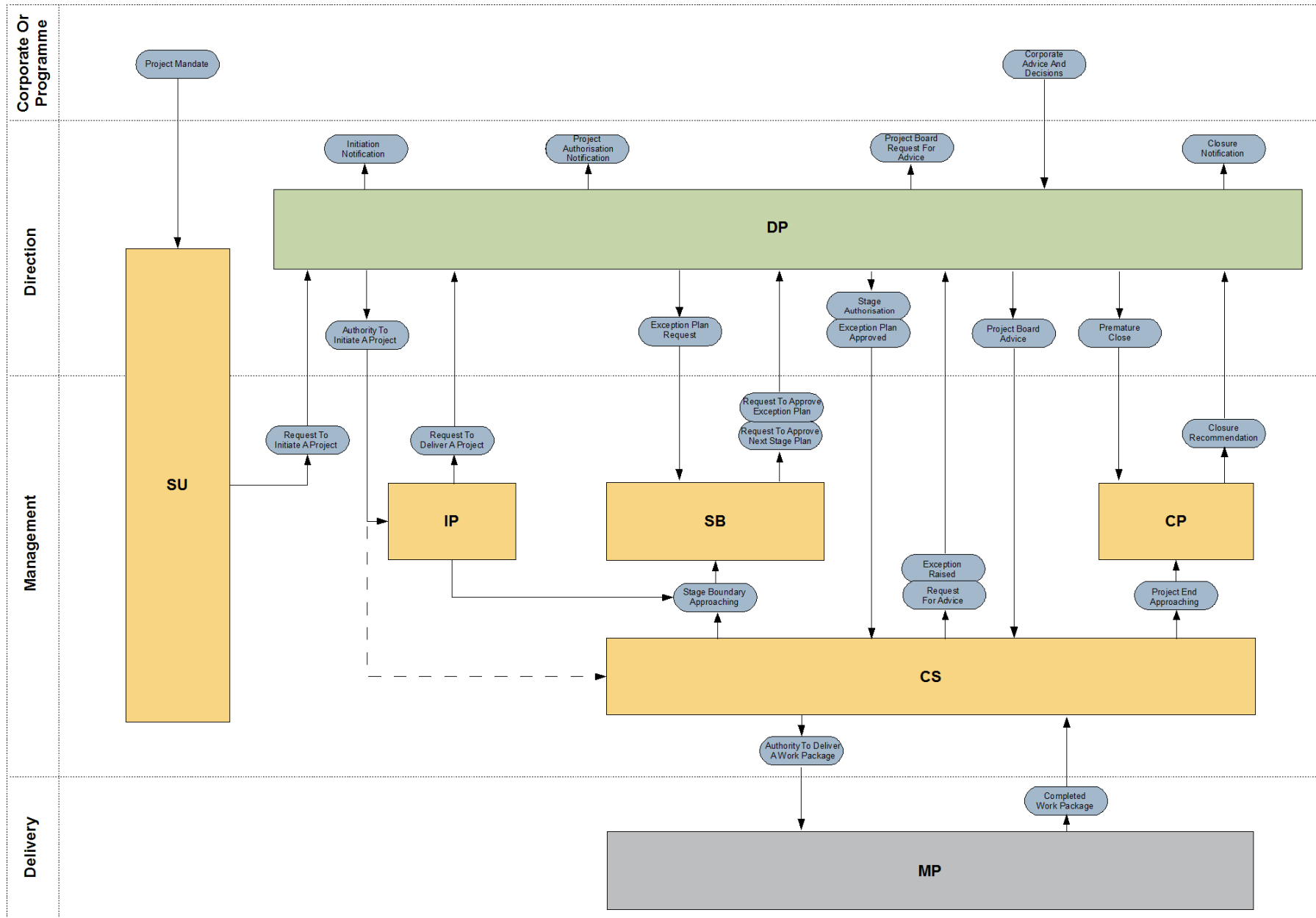
Key:

- SU = Starting Up a Project
- DP = Directing a Project
- IP = Initiating a Project
- SB = Managing a Stage Boundary
- CS = Controlling a Stage
- MP = Managing Product Delivery
- CP = Closing a Project

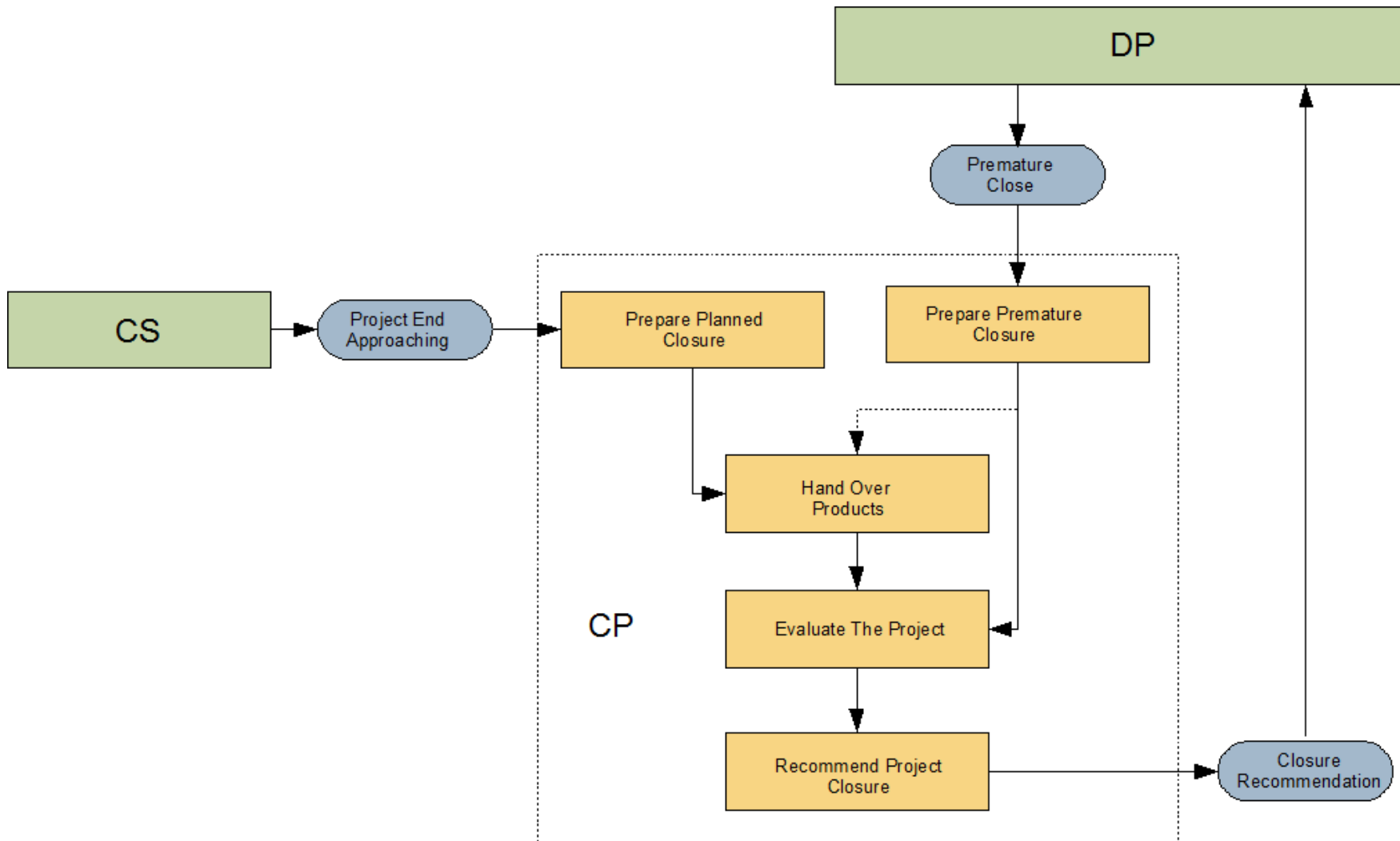
Note:

- SU is used by both the directing and managing layers
- There should be at least two management stages, the first of which is the initiation stage.
- SB is first used at the end of the initiation stage and repeated at the end of each subsequent stage except the final Stage . It is also used to prepare exception plans, which can be done at any time including in the final stage.
- For complex or lengthy initiation CS and MP can optionally be used to manage the initiation stage

The Process Model



Example Process



What are Themes?

- Themes are:
 - aspects of project management that need to be continually addressed. They are not one off activities

And

- aspects of project management that requires specific treatment for the PRINCE2 processes to be effective

“If the processes are considered as the time-based activity list then the Themes are the reference manual. If the process requires action the Theme provides guidance on how it should be done.”

The PRINCE2 Themes

| | | |
|----------------------|---|--|
| Business Case | Establish mechanisms to judge whether the project is (and remains) desirable, viable and achievable as a means to support decision-making in its continued investment. | Why? |
| Organisation | Define and establish the project's structure of accountability and responsibilities. | Who? |
| Quality | Define and implement the means by which the project will create and verify products that are fit-for-purpose. | What? |
| Plans | Facilitate communication and control by defining the means of delivering the products | Where and how by whom, and estimating the when and how much? |
| Risk | Identify, assess and control uncertainty, and as a result improve the ability of the project to succeed. | What if? |
| Change | Identify, assess and control any potential and approved changes to baselined objectives. | Only if? |
| Progress | Establish mechanisms to monitor and evaluate actual achievements with planned in order to provide a forecast for the project objectives, including its continued viability. | Where are we now? Where are we going? |

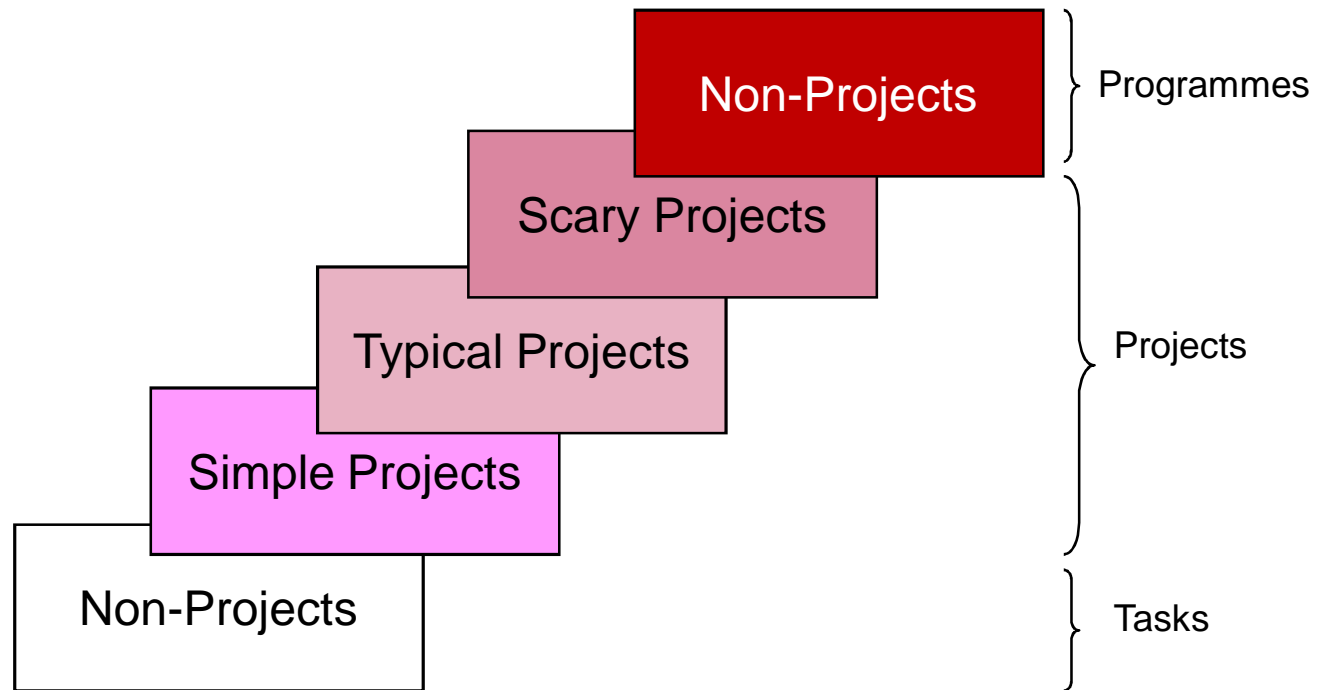
Tolerances

| Tolerance Areas | Project level Tolerances | Stage level Tolerances | Work Package level Tolerances | Product level Tolerances |
|---|-----------------------------|------------------------|-------------------------------|--------------------------|
| Time +/- amounts of time on target completion dates | Project Plan | Stage Plan | Work Package | NA |
| Cost +/- amounts of planned budget | Project Plan | Stage Plan | Work Package | NA |
| Scope Permitted variation of the scope of a project solution, e.g. MoSCoW prioritisation of requirements (' M ust have, ' S hould have, ' C ould have, ' W ould like in the future'). | Project Plan (note 1) | Stage Plan (note 1) | Work Package (note 1) | NA |
| Risk Limit on the aggregated value of threats (e.g. aggregated risk costs to remain less than 10% of the plan's budget); and Limit on any individual threat (e.g. any threat to operational service) | Risk Management Strategy | Stage Plan (note 2) | Work Package (note 2) | NA |
| Quality Defining quality targets in terms of ranges, e.g. a product that weighs 300g +/- 10g | Project Product Description | NA (note 3) | NA (note 3) | Product Description |
| Benefits Defining target benefits in terms of ranges, e.g. to achieve minimum cost savings of 5% per Branch, with an average of 7% across all branches | Business Case | NA | NA | NA |
| Note 1 – the scope of a plan is defined by the set of products to be delivered. Scope tolerance (if used) should be in the form of a note on or reference to the Product Breakdown Structure for the plan. Scope tolerance at the stage or Work Package level is of particular use if applying a time-bound iterative development method such as Agile. | | | | |
| Note 2 - more specific stage level risk tolerances may be set by the Project Board when authorising a stage or by the Project Manager when commissioning Work packages, especially from external suppliers. | | | | |
| Note 3 – quality tolerances are not summarily defined at the stage or Work Package level but are defined per Product Description within the scope of the plan. | | | | |

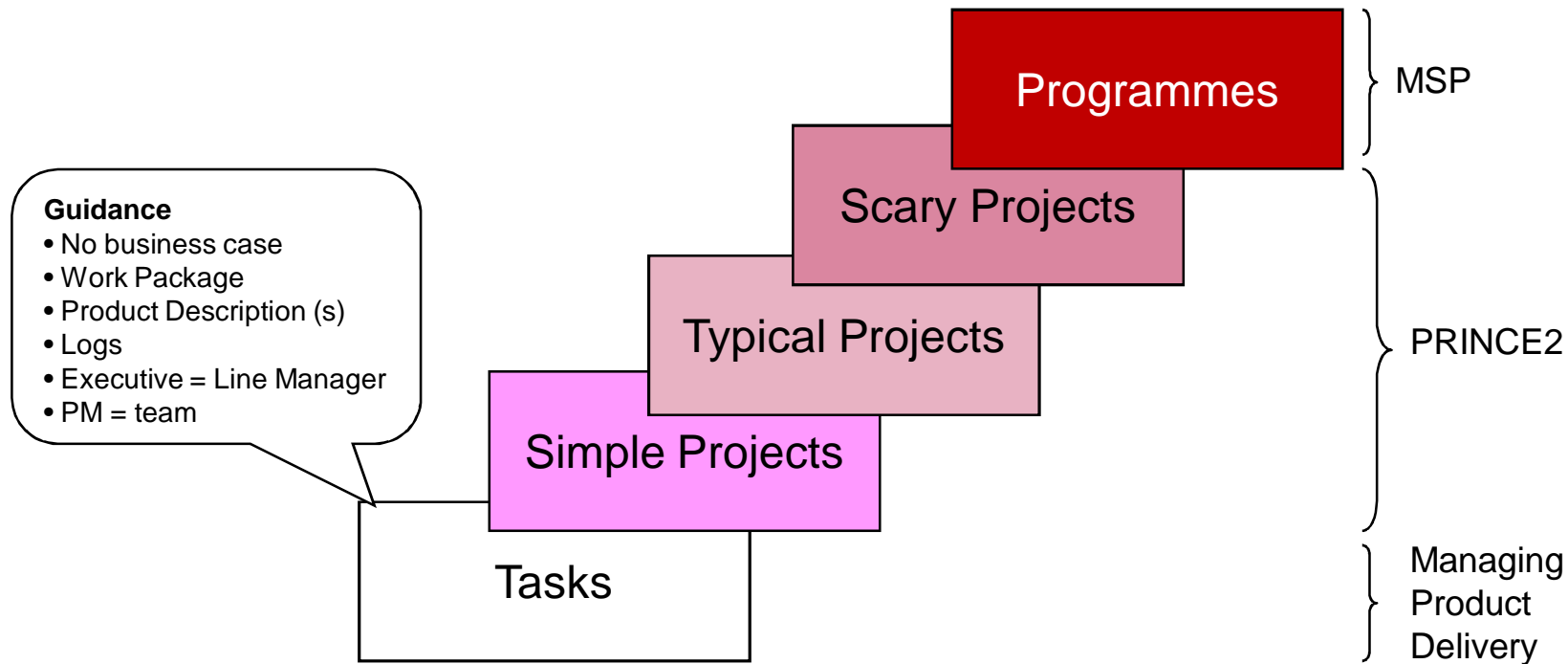
The Project Environment

| Embedding | Tailoring |
|---|---|
| Done by the organisation to adopt PRINCE2 | Done by the project team to adapt the method to the context of a specific project |
| Focus on: <ul style="list-style-type: none"> • process ownership • scaling rules / guidance (e.g. score card) • Standards (templates, definitions) • training and development strategy • integration with business processes • tools • process assurance • learning lessons (corporately) | Focus on: <ul style="list-style-type: none"> • Adapting the themes (through the strategies and controls) • Incorporating specific terms/language • Revising the Product Descriptions for the management products • Revising the role descriptions for the PRINCE2 project roles • Adjusting the processes to match the above |
| Guidance in PRINCE2 Maturity Model | Guidance in the Method |

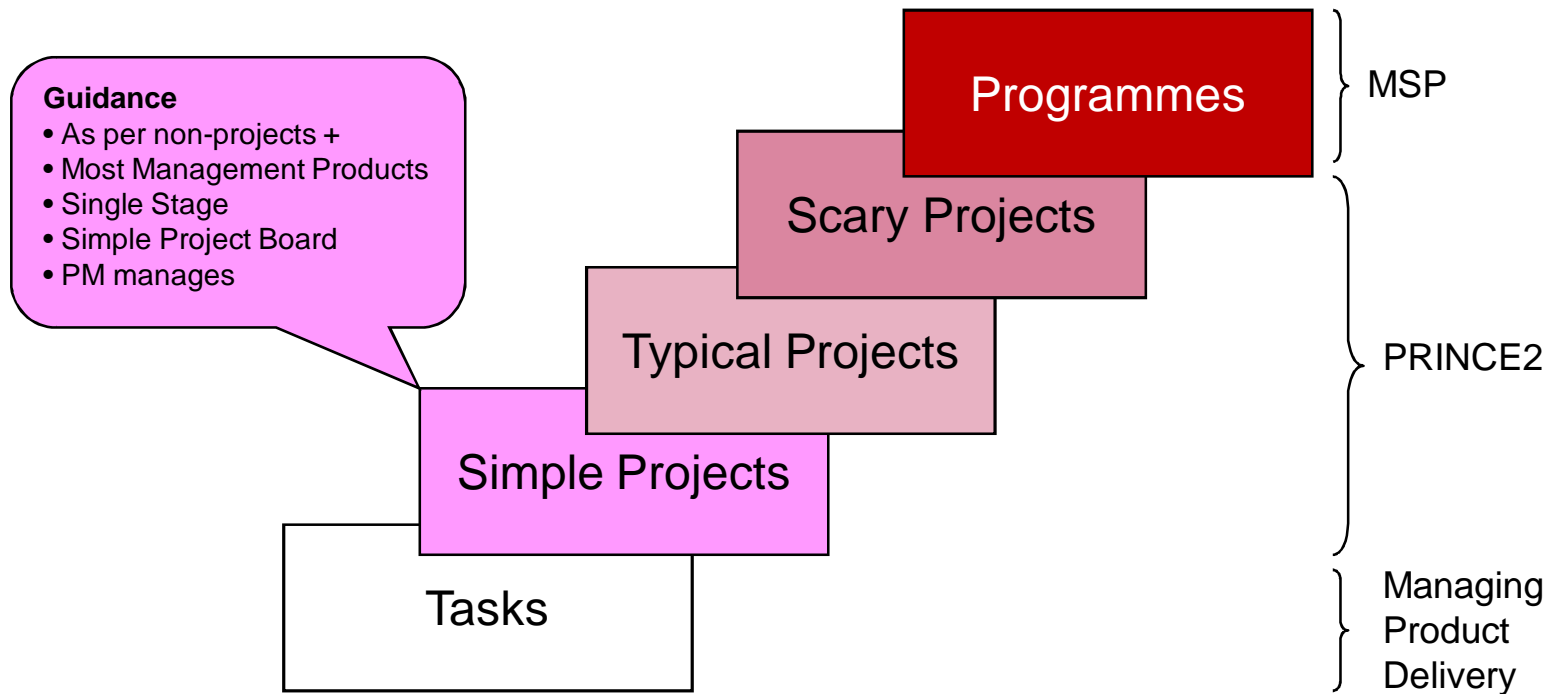
Project Scale



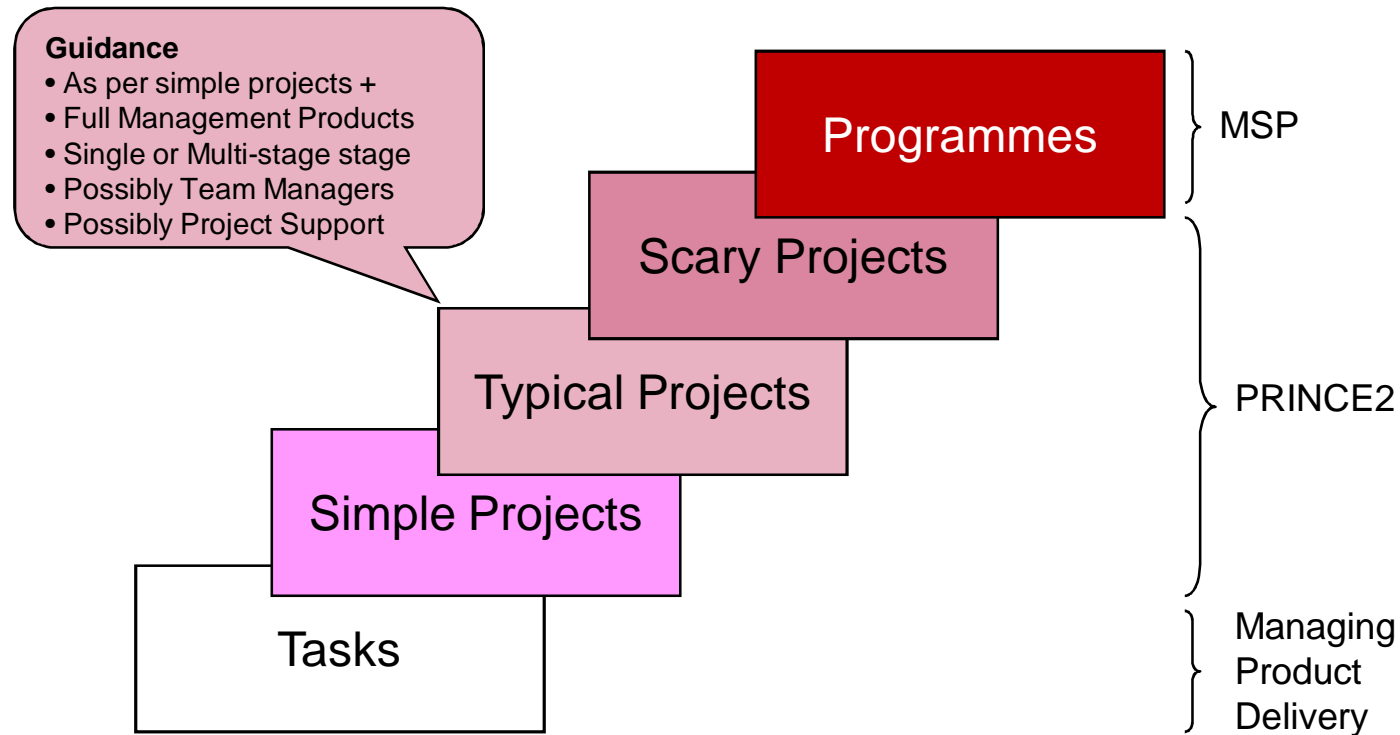
Project Scale



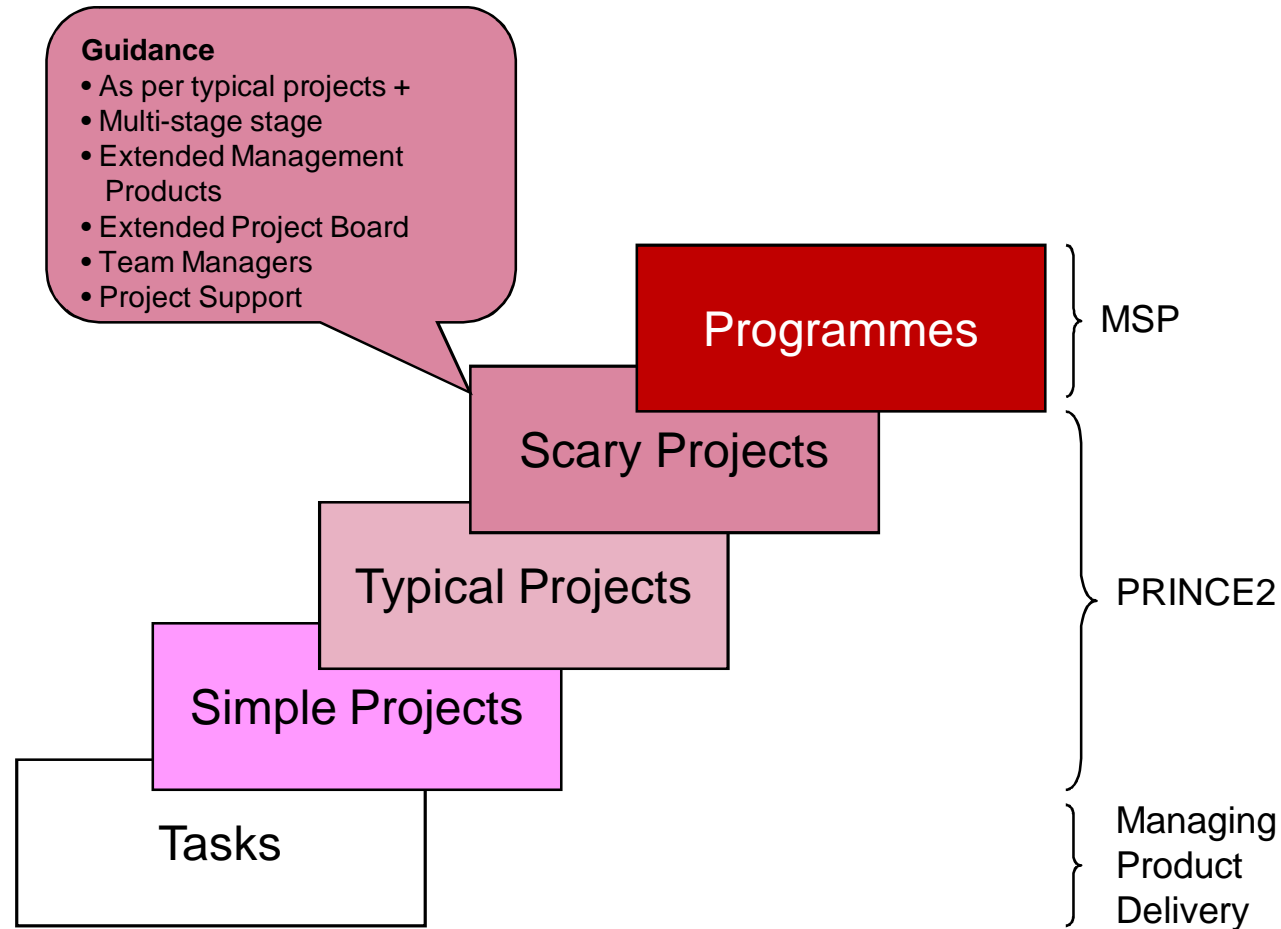
Project Scale



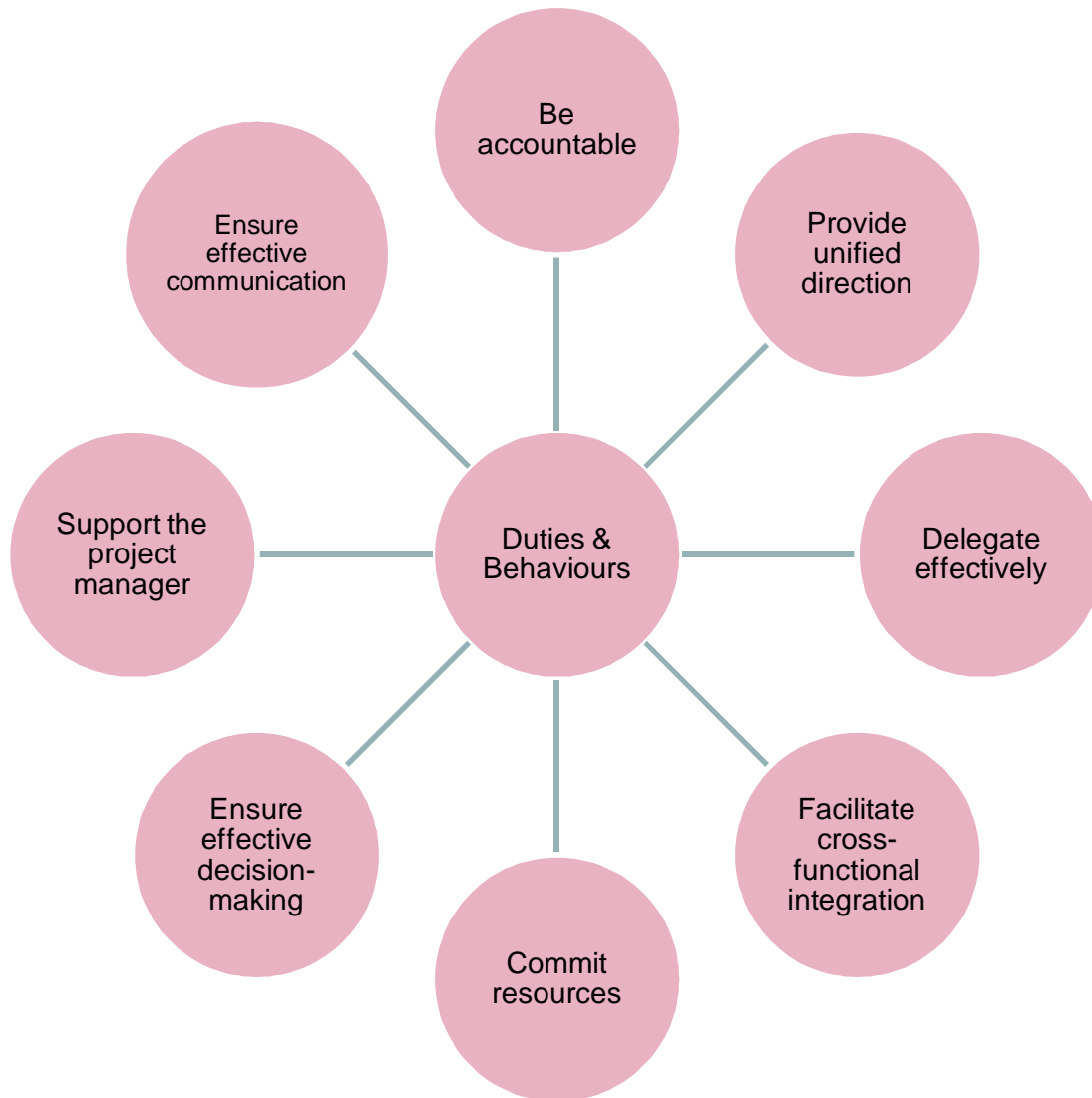
Project Scale



Project Scale



Directing Successful Projects Using PRINCE2



Approach

- Lifecycle oriented
 - Pre-project
 - Project
 - Post-project
- Providing
 - Example Agenda
 - Decision checklist
 - Role guidance by stakeholder perspective
 - Business
 - User
 - Supplier
- Focus on ‘duties & behaviours’

Next Steps

- Feedback from pilots
- Supporting products
 - Pocket books
 - Templates
 - Checklists
 - Case studies
 - Tutorials
- Copy-editing / Typesetting Q1 2009
- Development of updated qualification scheme Q1 2009

Any Questions?



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Speaker Profile – Andy Murray



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- Andy Murray is a Chartered Director and PRINCE2 Registered Consultant, having worked in the field of Projects and Programmes for over 15 years.
- He is currently a director of Outperform UK Ltd (www.outperform.co.uk), an Accredited Consultancy Organisation (ACO) licensed to consult in the OGC's best practice trilogy of PRINCE2™, MSP and M_o_R®.
- Andy was an early adopter of PRINCE2™, back in 1997, and has been helping organisations implement and gain value from PRINCE2™ ever since. He has helped implement PRINCE2™ in numerous organisations in more than a dozen countries.
- Andy has been using maturity models as a consulting aid for more than five years, since they help diagnose an organisation's strengths and weaknesses, prioritise improvement initiatives and measure progress. Andy has used the OGC's PRINCE2™ Maturity Model (P2MM) and Portfolio, Programme and Project Management Maturity Model (P3M3) as a means to both benchmark organisations via the APM Group assessment process and to define improvement plans.
- Andy is the co-author the P2MM Guide - published in July 2007 by TSO.
- Andy is the Lead Author for PRINCE2 2009.