Outperform
bids • projects • programmes

Everything you wanted to know about **PRINCE2**™ in less than one thousand words!

What is PRINCE2?

PRINCE2, or **PR**ojects **IN C**ontrolled **E**nvironments, is a project management methodology. It covers the management, control and organisation of a project.

PRINCE2 the de-facto standard

PRINCE2 was launched by the UK Government in 1996 and has since become the most widely used project management method worldwide. By the beginning of 2007 there were more than 250,000 certified Project Managers who had sat and passed the PRINCE2 practitioner exam. Practitioners can now be found in all 7 continents (yes, even in Antarctica).

PRINCE2 is now more than a just manual. When people say "we are using PRINCE2" they don't mean that they are using the manual. They mean that they direct, manage or participate on a project which follows (some of) the processes, components and techniques embodied in the manual. PRINCE2 has become 'a way' of delivering projects. It has become a community, comprising:

• The UK Government (it is owned by the Office of Government Commerce – OGC)

• A documented method (the manual, now in its 4th edition), available in several languages

• An accreditation body (APM Group Ltd)

• 120+ accredited training organisations, providing training around the globe in 17 languages

• 15+ accredited consulting organisations

• Software tools (There were 52 tools supporting PRINCE2 listed in the last PM Software Tool sourcebook)

• An official user group (The Best Practice User Group – BPUG) and numerous others covering more than 10 countries

• Several on-line discussion forums dedicated to PRINCE2

• More than 1.6 million pages on the world-wide-web which reference PRINCE2; much more than any other method.

While the PRINCE2 manual is owned and maintained by the UK Government, several other governments are now recommending its use (for example The Netherlands, Denmark, Germany) and it has been adopted by The United Nations Development Program as part of their global framework for managing projects. Its use extends beyond Governments and institutions as it has been adopted by the private sector with some vigour. PRINCE2 has also moved beyond its IT origin and is used for R&D projects, construction projects, product development projects, marketing projects, business transformation projects and many more.

Overview of the method

PRINCE2 is embodied within the official manual published by TSO. It comprises:

• Processes (8)
• Components (8)
• Techniques (3)
• Appendices containing Product Outlines, Role Descriptions and Checklists

Components

PRINCE2 describes eight components which need to be present for a successful project:

• **Business Case** – The justification for the project

• **Organisation** – defining the roles and responsibilities of the people involved

• **Plans** – defining the project's products, how the work should be carried out, when and by whom

• **Controls** – how the project manager and project board exercise control over the project

• **Management of Risk** – how the project should approach and manage risk

• **Quality in a Project Environment** – how the project should ensure that quality products are delivered

• **Configuration Management** – how the project's products are identified and tracked

• **Change Control** – how to manage changes to specification or scope of the products

Process

PRINCE2 is a process-driven project management method and is organised into eight processes.
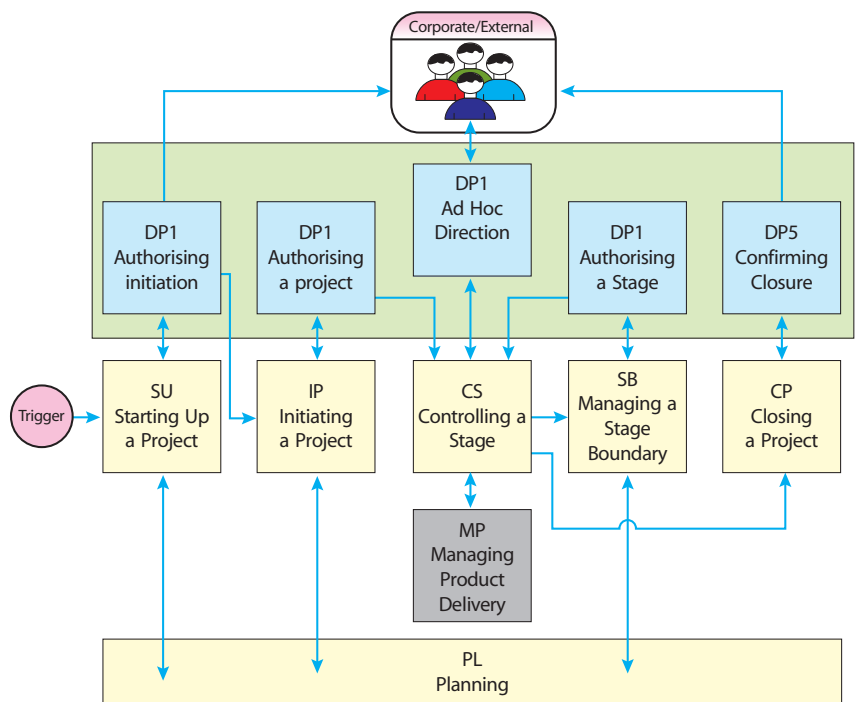

Figure 1 - PRINCE2 Process Model

Techniques

PRINCE2 describes three techniques which support the processes:

- **Product Based Planning** – defining the project in terms if its outputs rather than its activities
- **Change Control** – how to log, assess impact and escalate issues and changes
- **Quality Reviews** – A structured technique for assessing a product's 'fitness for purpose'

Training & Certification

Most accredited training organisations (ATOs) offer a selection of courses, ranging from overviews without examinations to examination events. There are two certificates available:

Foundation Certificate

The certificate holder is able to act as an informed member of a project management team using the PRINCE2 method within a project environment supporting PRINCE2. To this end they need to show they understand the principles and terminology of the method. The exam is closed-book and comprises a multi-choice paper of 75 questions which must be answered within one hour.

Practitioner Certificate

The certificate holder is able to apply PRINCE2 to the running and managing of a project within an environment supporting PRINCE2. To this end they need to exhibit the competence required for the Foundation qualification, and show that they can apply and tune PRINCE2 to address the needs and problems of a specific project scenario. The exam is open-book and comprises 3 scenario based questions which must be answered within three hours.

That all sounds great, but….

The PRINCE2 phenomena is dampened by the fact that for every well run project using PRINCE2 there are a number of poorly run projects using PINO (PRINCE In Name Only). Common issues observed are:

- The start-up phase is rushed/missed and the organisation jumps straight to producing a PID
- Project Boards are not effective - escalations may go into a black hole, etc
- No Product Descriptions, without which PRINCE2's quality approach does not work
- Tolerances are not set or are limited to time and cost only – it is unclear what delegated authority people have or when they should escalate to the next level
- Projects are all single stages (or 'phases' are used to avoid doing an End Stage Review)
- PIDs are simply a 'cut & paste' from the last project - they are not read or followed and only serve as shelf-ware
- Low level of 'business' involvement because it is regarded as a 'technical' method – the project outputs might not deliver the desired outcomes

The 'hit and miss' nature of how well PRINCE2 is applied is one of the reasons why OGC produced the PRINCE2 Maturity Model (P2MM).

The PRINCE2™ Maturity Model

The PRINCE2 Maturity Model describes a set of Key Process Areas (KPAs) required for the effective implementation and use of PRINCE2 within an organisation. This is P2MM's core value: While the PRINCE2 Manual describes how to manage a single project it does not include any processes on how to embed PRINCE2, whereas P2MM does.

P2MM describes key practices aligned to the PRINCE2 processes and components to enable repeatable application of the method (Level 2 KPAs) and goes further to describe the key practices required to embed the method (Level 3 KPAs) as a standard business process for managing projects. These include assigning ownership (3.1), tailoring the method (3.2), training (3.3), integrating with other management systems (3.4) and quality assurance mechanisms (3.5).

PRINCE2™ MATURITY MODEL KPAs

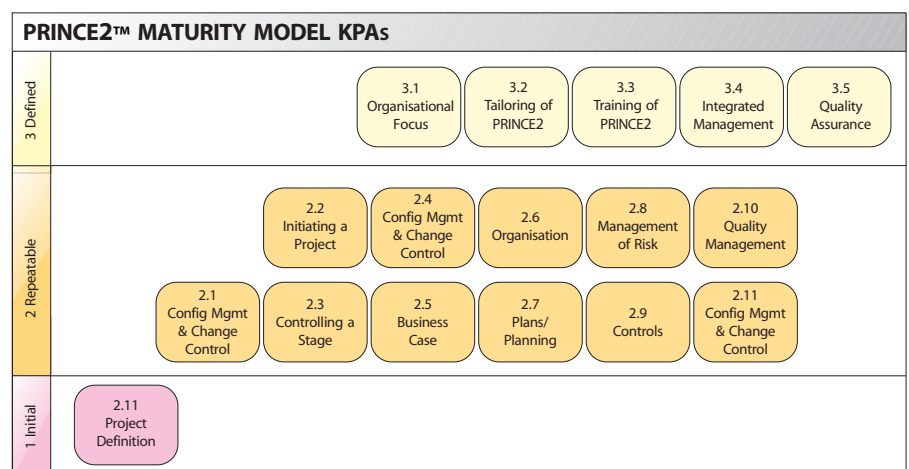|						
3 Defined			3.1 Organisational Focus	3.2 Tailoring of PRINCE2	3.3 Training of PRINCE2	3.4 Integrated Management	3.5 Quality Assurance
2 Repeatable		2.2 Initiating a Project	2.4 Config Mgmt & Change Control	2.6 Organisation	2.8 Management of Risk	2.10 Quality Management	
	2.1 Config Mgmt & Change Control	2.3 Controlling a Stage	2.5 Business Case	2.7 Plans/ Planning	2.9 Controls	2.11 Config Mgmt & Change Control	
1 Initial	2.11 Project Definition						

Figure 2 - P2MM Key Process Areas. Level 2 KPAs concern the application of PRINCE2 at the project level. Level 3 KPAs concern the processes and infrastructure required at the organisation level.

Acknowledgements

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