PRINCE2, 2005 Edition - Part 2
Office of Government Commerce, UK
(A book review by R. Max Wideman)

In Part 1 of our two-part paper we introduce the PRINCE2 project management methodology, the book's structure and what we liked. In this Part 2 we'll cover some special concepts specific to the methodology, some of the downsides we see from our perspective, and we'll finish with our summary conclusions.

PRINCE2 Concepts: Project management team roles and responsibilities

PRINCE2 defines ten project "roles" rather than "positions" on the project team. These roles may be allocated, shared, divided or combined according to the project's needs.[1] In addition to the expected roles of Executive, Project Board, Project Manager, Team Manager mentioned earlier, PRINCE2 introduces a number of distinctive roles to facilitate its methodology. For example:

Project Support Office (PSO) represents a central pool of skilled resources such as those described in the manual, including clerical support, Configuration Librarians and even PRINCE2 consultants to ensure the proper use of the methodology. These roles may support either a single large project or a number of projects in a program.[2] A number of responsibilities are suggested in the role descriptions such as planning and scheduling, estimating, forecasting and project accounting.

The *Executive* chairs the Project Board and is the single individual with ultimate responsibility for ensuring that a project or program meets its objectives and delivers the projected benefits. The Senior User and the Senior Supplier support him or her on the Project Board.[3]

The *Senior User* is responsible for the specification of the needs of all those who will use the product(s), for user liaison with the project team and for monitoring that the solution will meet those needs within the constraints of the Business Case in terms of quality, functionality and ease of use.[4]

The *Senior Supplier* represents the interests of those designing, developing, facilitating, procuring, implementing and possibly operating and maintaining the project products.[5] The senior supplier is accountable for the quality of products delivered by the supplier(s) and must have the authority to commit or acquire the supplier resources required.

Note that more than one person may represent both the Senior User and the Senior Supplier roles and both roles liaise directly with the team members who are responsible for producing the project's products. Therefore, great care must obviously be taken to ensure that the project manager's authority on the project is not circumvented and that his or her ability to manage the project is not thereby undermined.

Project Assurance covers all interests of a project, including business, user and supplier.[6] PRINCE2 requires that this responsibility is independent of the project manager and therefore cannot be delegated there.

The *Configuration Librarian* role is the "custodian and guardian" responsible for all master copies of the project's products including the project's issue log.[7] It is a part of Project Support. Although this role refers primarily to management documents and product documentation, rather than physical objects,

nonetheless it is not a trivial task on most projects. It includes controlling the receipt, identification, storage and retrieval of all such documents, providing information on the status of all projects, as well as numbering, recording, distributing and maintaining the project's issues records.

PRINCE2 does not provide guidance on people management, the ever-popular subject in North America. It does not do so on the grounds that this topic is adequately covered in other texts.[8]

PRINCE2 Concepts: *Document Description Outlines*

PRINCE2, 2005, contemplates producing two types of "product" – those documents that relate to the project's deliverable, end item or outcome, that satisfies the project's objective(s), and those that are required by the PRINCE2 project management methodology itself. There are thirty-six detailed descriptions of these management "products", three more than in 2002.[9] Many of these documents are standard fare, such as various plans and reports, but it is most useful to have detailed listings of their recommended contents.

In particular, we liked the idea of the Business Case being the driver for the project. The Business Case provides the reasons and justification for the project, based on estimated costs, risks and expected benefits.[10] As it says:

> "PRINCE2's key philosophy is that its Business Case must drive the project. If a satisfactory Business Case does not exist, a project should not be started. If a Business Case is valid at the start of a project, but this justification disappears once the project is underway, the project should be stopped."[11]

Some documents appear to be fairly unique to PRINCE2, for example:

A *Project Initiation Document*, while perhaps not absolutely unique, documents key information needed to start the project on a sound basis,[12] form the basis for the management of the project, and assess its overall success.[13]

Acceptance Criteria[14] is similarly essential information though often overlooked in many projects. It is either provided by program management, or is developed during the starting-up-a-project process. It defines in measurable terms what must be done for the final product to be acceptable to the customer and others who will be affected.

Customer's quality expectations,[15] as the name indicates, sets out the standards that will be applied by the customer. It forms a part of the Project Brief.

Checkpoint Report[16] is defined as a report on "A team-level, time-driven review of progress, usually involving a meeting."[17] In other words, it is a report by an individual team member on the status if his or her work.

An *Exception Plan*[18] is a plan to recover from a "tolerance deviation" where "tolerance", as we noted earlier, is the permissible deviation above and below a plan's estimate of time and cost without having to escalate the issue to the next level of management.[19] In other words it is a plan to get back on track.

Downside: *Product and project life spans*

Figure 2, that we displayed earlier, shows PRINCE2's comparison of the ***product*** life ***span*** and ***project*** life ***cycle***. It is our view that the labels are misnamed and should be the other way round. It is the ***product*** that typically gets ***cycled*** by being continually upgraded, for example as in software. It is the project that moves inexorably from start to finish, albeit perhaps with some iterations along the way, as in a life ***span***. Indeed, the 2002 version of PRINCE2 spoke of it having the characteristic of "A finite and defined life ***span***" (emphasis added). We were therefore very disappointed to see this changed to "***cycle***" in the 2005 version.[20] We hope that the next PRINCE2 version re-examines this terminology.

As we mentioned in our introduction, the scope of PRINCE2 is limited to the execution phases of a project. For the front-end work you must refer to a different OGC document, *Managing Successful Programmes*, that contemplates a different management environment. Consequently, the PRINCE2 coverage is more akin to "construction management" in the construction industry. While this is common in the construction industry, we are not comfortable with this limitation in the general application of project management.

In fact, PRINCE2 speaks of "stages" rather than "phases" and states that while the use of stages is mandatory, their number is flexible according to the needs of the project.[21] PRINCE2 also differentiates between technical stages and management stages. Technical stages are typified by a particular set of specialist skills, while management stages equate to commitment of resources and authority to spend. The two are separate concepts and may or may not coincide.[22]

Obviously, this section of the manual has given problems in the past because the text has been substantially reorganized since 2002. Two illustrations, Figures 5 and 6, show the same set of "product" activities and how they might be displayed normally and under the "management stages" concepts.
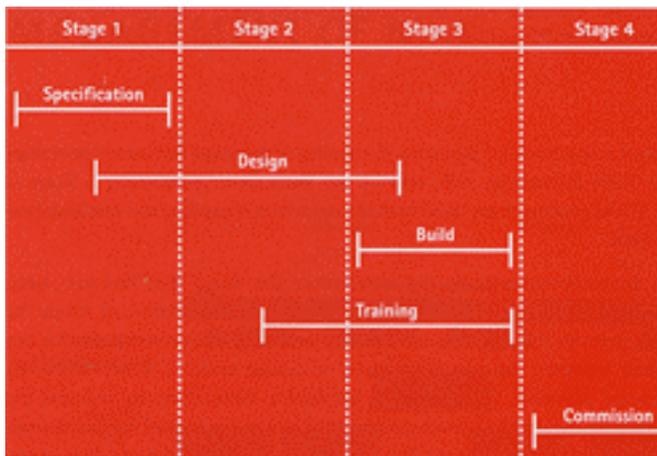

Figure 5: Product activities crossing stage boundaries
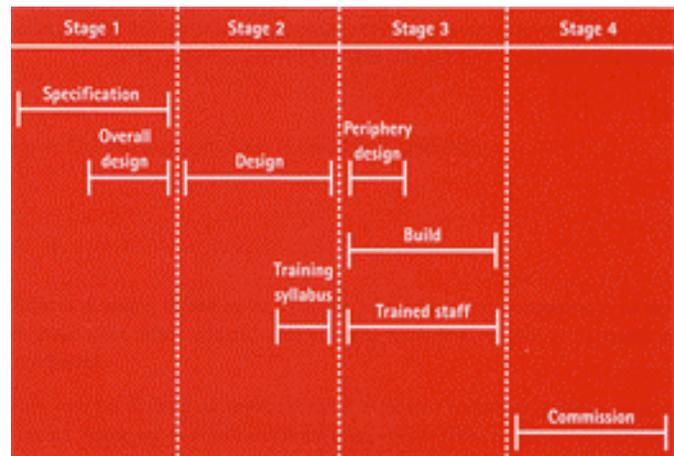
Figure 6: Products broken down to fit project management stages

To us the latter seems to be something of a "force fit" and we think the result is still unconvincing. Indeed, we think that the project management control points, or gates representing phase ends, should be properly aligned with the major milestones of the natural project life span for the type of project. Thus, for a properly aligned methodology this added complication would be unnecessary.

Downside: *Project manager's responsibilities*

According to the project manager's role description:
> "The Project Manager has the authority to run the project on a day-to-day basis on behalf of the Project Board within the constraints laid down by the Board. The Project manager's prime responsibility is to ensure that the project produces the required products to the required standard of quality within the specified constraints of time and cost."[23]

This is the project manager's traditional role against which his or her success in running the project is normally measured. However, it does not speak to the success of the product of the project in terms of ability to generate expected benefits. Nevertheless, the description continues:
> The Project Manager is also responsible for the project producing a result capable of achieving the benefits defined in the Business Case."[24]

What if the concept described in the Business Case is not viable, that is, it is incapable of producing the designated benefits? Or, what if the subsequent development and planning conducted in the pre-PRINCE2 project execution phases is badly flawed? We have seen many examples of such projects, especially those politically motivated. Given the role of the Executive and Project Board, all as a part of the project team, and the consequent limitation of the project manager's freedom of action, it seems to us that this imposition on the project manager is an unreasonable one.

In discussing the development of the project schedule, the "Hints and tips" section suggests that when the project manager has discussed the availability of resources with line managers, "any agreement reached with them should be documented immediately."[25] That's all very well, but for the unwary, the reality is typically as follows. When the designated people are needed for the project they are not available. That's either because the project schedule has slipped, or their schedule has slipped, they are already over-committed, or management elsewhere has assigned them new and higher priorities.

Control

In PRINCE2, control of the technical work is exercised through the authorization of Work Packages. The Work Package is used to control the allocation of work to individuals or teams. "It includes controls on quality, time and cost and identifies reporting and hand-over requirements." The individuals or teams report back to the project manager via Checkpoint Reports or other identified means such as Triggers, and by updating the Quality Log.[26] Likewise, of course, the project manager reports back to the project's Executive.

The purpose of the Work Package is to:[27]
- Ensure the project remains viable against the Business Case
- Produce the required products, meeting the defined quality criteria,
- Carry out the work according to schedule, resource and cost plans

We have some concern over the first item because in PRINCE2 the Business Case is a "dynamic"[28] document because "It is updated at key points, such as end stage assessments, throughout the project."[29] True, this is to ensure that the business justification for the project is still valid, but there could be a tendency to match the Business Case to the current project reality rather than adjusting the project to satisfy a modified Business Case justification.

In PRINCE2 a project must get from a "basic business requirement" to the start of work on the actual outcome, or product, that is the objective of the project. We attempted to follow the flow through the

prerequisite processes and their respective control document outputs to arrive at this start of work. This path is neither straightforward nor very clear. We counted eleven processes or sub-processes[30] and sixteen output documents in one form or another.[31]

It would be a good idea for PRINCE2 to heed its own advice by displaying a "product-based flow diagram" such as that advocated under "Product-based Planning".[32] It would be better still if it also showed how responsibility for the various document products flowed between the different levels of responsibility for the project. Then considerable simplification might be found possible.

It is true that PRINCE2 says that for small projects the two processes of Starting up a Project (SU) and Initiating a Project (IP) can be combined.[33] But in our view, for the majority of average projects, all of this could be consolidated into just two major documents. First is the Business Case, prepared by a business analyst or someone with similar skills, approval of which would authorize the necessary more detailed planning work. Second is the Project Brief (also known by others as Project Charter), approval of which would authorize the project manager to start production work.

Downside: *Project management product description documents*

Decision-making is central to project management and PRINCE2 is heavy on process and documentation. A project has a set of progressive governing documents in its series of processes. Beyond a "basic business requirement"[34] the very first project document is the "Project Mandate".[35] As PRINCE2 states, this document may come from anywhere, but should at least come from some level of management that can authorize the cost and resource usage[36] commensurate with the size and type of project.

It must contain sufficient information to trigger the first "Starting up a Project" (SU) process and in that process a Business Case is created or evolved and contained in a "Project Brief". The Business Case justifies the undertaking of the project in terms of reasons, benefits, cost, time and risk and the source of this information is the project mandate and information from the customer.[37]. The business case is a dynamic document that is updated throughout the project to reflect changing conditions, although it is "baselined" during the subsequent "Initiating a project" process.

Although it contains six sub-processes, the SU process is intended to be of short duration and is designed to ensure that all the necessary players, and the information they will need, are in place prior to the real start of the project. The output of the SU process is an "Initiation Stage Plan" that ensures the required people are identified. This is contained in the Project Brief, a relatively simple document providing background, project definition (i.e. what the project needs to achieve), the outline Business Case, the customer's quality expectations, acceptance criteria and any known risks.

This documentation feeds into the "Initiating a project" (IP) process; a process that also has six sub-processes and the output is a "Project Initiation Document" (PID).[38] Unlike the Business Case, which is updated, the PID is a substantial and stable document, except for the background attachments such as the Business Case. The PID is intended to define all of the questions: what, why, who, when, and the how of the project. It is the base document against which the project board will assess progress, the change management issues, and the ongoing viability of the project.[39] Concurrently with the preparation of the PID, the first project stage is planned leading to the authorization by the project board of the project's first stage.

Then and only then, after the completion of twelve sub-processes, is the project manager in a position to actually start work. It would appear that there is room here for considerable simplification.

Conclusions

PRINCE2 is a solid, easy-to-follow and uncompromising project management methodology requiring meticulous attention to detail. It provides clear instructions and ample indication of the many considerations involved in all but the simplest of projects. It applies where the objectives are clear and the deliverables are either well described, or capable of being so. It is recommended for formal execution of all projects requiring this degree of attention on grounds of size, complexity, risk and/or safety.

According to the manual:
> "PRINCE2 is designed for a variety of customer/supplier situations. For clarity, the PRINCE2 manual has been written on the assumption that the project will be run for a customer with a single (prime) supplier involved throughout. This has a bearing on not only the organization of the project, but also the controls."[40]

The implication is that PRINCE2 is in the hands of the supplier rather than the sponsoring organization, although direction and the corresponding level of control are clearly in the hands of the owner's Executive.

The manual does not cover the situation of multiple prime contracts (i.e. trade contracts) directly under the control of an owner. An example would be the case of a developer using construction management techniques where the issues of work coordination responsibility is much more complex.

Our strong preference is for a comprehensive general project management methodology to start with a "conception" phase. This phase, short or long, is the opportunity to assemble the owning organization's needs that could be potential projects, and analyze and select the best opportunity for serious study. This is the time to articulate that best opportunity in terms of big picture, vision and benefit. It should result in a viable business case as the measure of acceptability at each stage-gate.

Following approval of the business case, the project then moves into its second major phase. In this phase the project's concept is developed by studying and testing alternatives and conducting feasibility studies. At the same time, the intended products are identified as far as possible through the necessary customer/user input. With the products identified, an implementation plan can be formulated that covers the project's scope and quality grade, and time and cost tolerances.

The whole can then be assembled into a formal project brief or project charter and presented to management for approval of a major commitment of cash and resources to cover execution. Such a life span design represents a simple straightforward progression with only two major project documents as stage-gate controls. Considering that it is in the conception and definition phases where the most critical project decisions are made, it is surprising that more focus is not given to this part of the project life span. Indeed, as PRINCE2 observes, "A lot of time can be wasted in producing a very good plan to achieve the wrong objective"[41] and "Finding out that a product doesn't meet requirements during its acceptance trials is expensively late."[42]

While on the subject of project life span, there is room for improvement in dealing with the final phase of a project in which the product(s) are transferred into the "care, custody and control" of the customer

or user. The product resulting from the project may be excellent and fully up to specification, but if the final transfer is not handled with appropriate delicacy, the reaction to it may still be negative and the project seen as a failure. We use the term "delicacy" advisedly, because this part of the project is often fraught with political overtones. After all, who wants to change the way they normally do business according to some higher management edict?

Clearly, both the front and back ends of the project are fruitful territories for academic research and improved good practice: the front end for better project identification and selection, and the back end for better communication and training in the use of the project's product. If these aspects were properly recognized and documented in standard methodologies, perhaps sponsors would be more willing to set aside the necessary funding to ensure higher chances of project success.

Throughout history, man has successfully trained a variety of animals to become "beasts of burden" to get their goods and themselves from point A to point B. Among many others, classic animals range from the donkey, to the horse to the elephant. At one end of the scale, the donkey seems to be a rather simple and obdurate animal, while at the other the elephant tends to be overkill for anything but really heavy-duty tasks. While it is true that the availability of the selection of animals varies from geographical location to geographical location, nevertheless by far the majority of journeys fall somewhere in the "middle of the bell curve". Hence the horse has become the animal of choice.

And so it seems to us, when presenting project management methodologies for the population at large, it is the middle ground that should be covered. Thus we feel that PRINCE2 could be significantly simplified, not by cutting corners but by analyzing the workflow and asking the legitimate question: "Is this really necessary on the average project?" Then for those who feel the need for "higher ceremony" for reasons of risk, exposure, accountability, audit trail, or what ever, could then refer to suitable appendices offering additional steps and routine to provide the added protection.

Alternatively, perhaps someone could develop a "junior" PRINCE2, even based on the simplified diagram we displayed earlier in Figure 3. We also feel that a similar document is needed that is dedicated to the "front end" phases of project work rather than being buried in the OGC's broader *Managing Successful Programmes* manual. After all, these phases are where the major decisions are made, the decisions upon which the real success of projects, that is the successful delivery of product benefits, depend.

Always remember that project management is an overhead and, like even the elephant, must justify its existence in terms of product benefits. To be fair, in discussing managing Product Delivery, PRINCE2 does say: "The process needs careful implementation to avoid being over-bureaucratic."[43]

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[1] Ibid, p395

[2] Ibid, p407

[3] Ibid, p397

[4] Ibid, p399

[5] Ibid, p400

[6] Ibid, p403

[7] Ibid, p406

[8] Ibid, p8

[9] Ibid, p341

[10] Ibid, p197

[11] ibid.

[12] Ibid, p336

[13] Ibid, p375

[14] Ibid, p341

[15] Ibid, p349

[16] Ibid, p344

[17] Ibid, p330

[18] Ibid, p355

[19] Ibid, p339

[20] Ibid, p7

[21] Ibid, p246

[22] Ibid, p248

[23] Ibid, p401

[24] Ibid.

[25] Ibid, p188

[26] Ibid, p229

[27] Ibid, p227

[28] Ibid, p376, the Business Case is listed as one of the "dynamic" contents of the Project Initiation Document.

[29] Ibid, p329

[30] Prerequisite processes to starting production work: Ad hoc source of Project Mandate (DP4); Preparing a Project Brief (SU4); Defining Project Approach (SU5); Planning Initiation Stage (SU6); Authorizing Initiation (DP1); Planning a Project (IP2); Refining the Business Case ((IP3); Assembling a (draft) Project Initiation Document (IP6); Authorizing a Project (DP2); Authorizing a Stage (DP3); Authorizing a Work Package (CS1).

[31] Documents associated with the prerequisite processes to starting production work: Basic business requirements; Project Mandate; Outline Business Case; Project Brief; Project Approach; Draft Initiation Stage Plan; Authorization to Proceed (to initiating a project); Project Plan; Stage Plan; Updated Business Case; Draft Project Initiation Document (PID); Authorization to Proceed (to project); Approved PID; Approved Initiation Stage Plan; Authorization to Proceed (to work package); Authorized Work Package.

[32] PRINCE2, p293

[33] Ibid, p49

[34] Ibid, p25

[35] Ibid, p29

[36] Ibid, p379

[37] Ibid, 343

[38] Ibid, p48

[39] Ibid, p375

[40] Ibid, p228

[41] Ibid, p173

[42] Ibid, p271

[43] Ibid, p127