

PRINCE2[®] processes

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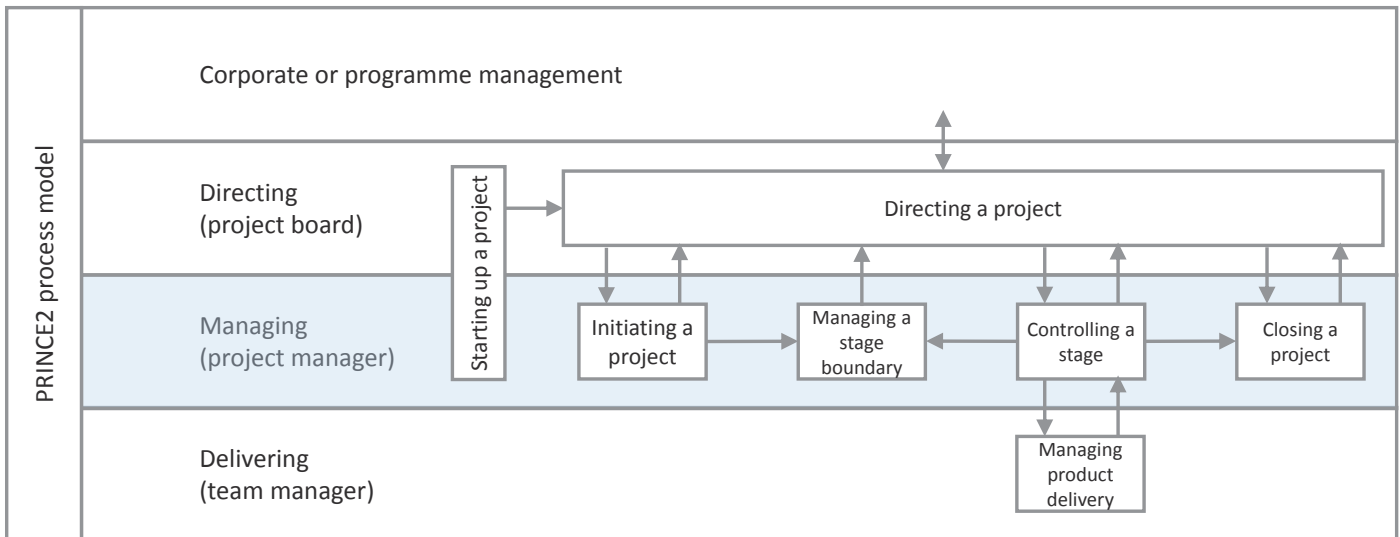
Introduction

This article describes the PRINCE2 processes. It's the third in a series of three study guides designed to help you learn about PRINCE2. The other two - the PRINCE2 Principles and the PRINCE2 Themes - are available to download as ebooks. They are all based upon the 2017 version of PRINCE2.

Background

Processes in PRINCE2 are where the principles and themes of PRINCE2 are applied. The processes describe which role from the project management team is responsible for taking decisions, and when those decisions should be taken.

The rest of this ebook will describe the 7 processes.



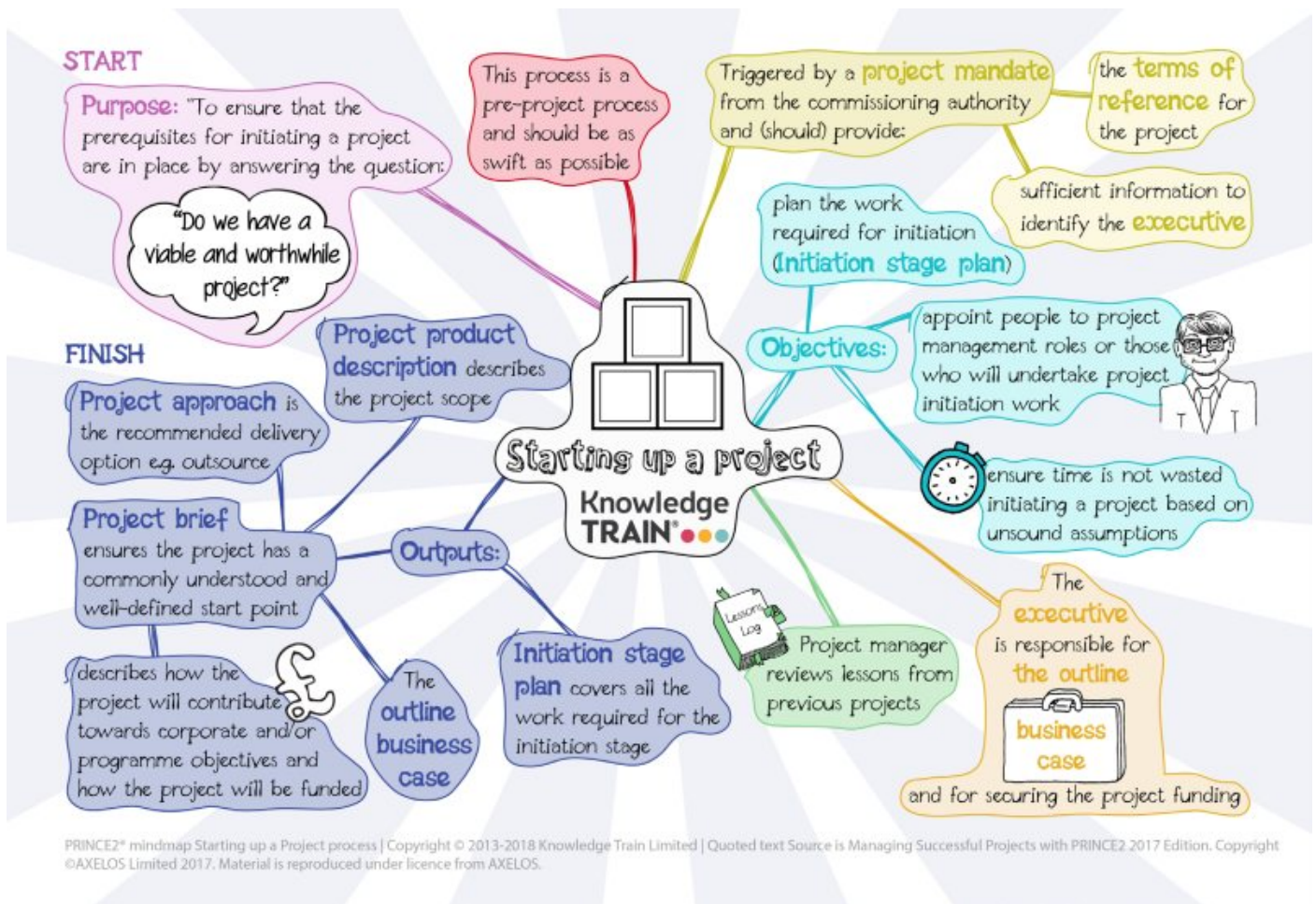
Starting up a project

Purpose

The purpose is to answer one simple question: "is the project viable and worthwhile?" [1]

Objectives

- To appoint those who will work during the initiation stage and those who will take significant project management roles in the project;
- To ensure there is a plan (**initiation stage plan**) for the work required during the initiation stage;
- To ensure the initiation stage is based upon sound assumptions regarding the project's scope, timescales, acceptance criteria and constraints.



Pre-project process

This process is a pre-project process. The process is about filtering out the badly-conceived projects from the good ones. After, all it's only sensible to initiate the good ideas for projects and to discard the bad ones before any serious time and money is wasted.

Project mandate

The **trigger** for the project is a **project mandate** (a trigger is an event or decision which "triggers" one of the processes) which comes from the highest levels within the customer organization (i.e. 'corporate or programme management, or the customer'). From now on, we will refer to them as **corporate management**.

The **project mandate** (at a minimum) should provide the reasons for undertaking the project and should also identify the prospective executive of the project board.

Define roles and responsibilities

Before the project is commissioned (initiated) key roles and responsibilities for doing the work during the first stage (known as the initiation stage) must be resourced and allocated – i.e. it must be identified who is going to write the business case and the project plan.

Outline business case

The **executive** is responsible for creating the outline **business case**, which will explain how the project fits in with corporate management objectives and how (i.e. from which budget) the project will be funded. The executive is responsible for securing this funding.

Outputs

The 2 main outputs are:

- **Project Brief** – this ensures that the project has an agreed and well-defined start point
- **Initiation Stage Plan** – this covers all the work to be done during the initiation stage (the first stage of the project) and the project manager must review the lessons log for lessons relating to the project controls to be used during initiation.

Directing a project

Purpose

The purpose is to enable the project board to make key decisions and exercising overall control over the project, whilst delegating the day-to-day management of the project to the project manager. This enables the project board to be accountable for the project's success. ^[2]

Objectives

To ensure that:

- there is authority to initiate the project, deliver the project's products, and to close the project
- management direction and control are provided throughout the project's life
- the project remains viable
- corporate management has an interface to the project
- plans for realizing the post-project benefits are managed and reviewed.

START

Purpose: "to enable the **project board** to be accountable for the project's success by making key decisions and exercising overall control while delegating day-to-day management of the project to the project manager"

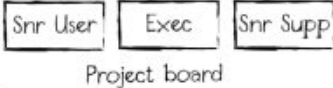
It starts on completion of the **starting up a project** process

Enables a communication channel or **interface** with corporate/programme management

The executive is the decision maker and project manager defers to the executive if the project board cannot agree - the project board is NOT a democracy

There is no need for regular progress meetings with the project manager because the project board 'manages by exception'

1. Authorize initiation - ensures the investment is worthwhile and then notifies corporate/programme management and others



Directing a project Knowledge TRAIN

Project board performs 5 activities:

2. Authorize the project - approves the **project initiation document (PID)** if the project's firm foundations are in place

3. Authorize a stage or exception plan - reviews the performance of the current stage and approves the next **stage plan** (or **exception plan**) if the justification still exists

4. Give ad-hoc direction

Reviews reports

Takes decisions about issues, risks and changes

Gives advice to project manager

Communicates with stakeholders

Approves **product descriptions** as part of plans

Reviews **lessons reports** and decides who should receive them

FINISH

5. Authorize project closure

Reviews and approves **end project report** and **lessons report** IF there is nothing more for the project to do

This process starts after the starting up a project process has completed and is triggered by a request to initiate the project.

Performed by project board

The **project board** is responsible for assuring that there is continued business justification (one of the principles). There is no need for regular progress meetings between the project board and the project manager because the project board 'manages by exception' (another of the principles). The project board is kept informed of progress by the reports given to them by the project manager.

Interface with corporate management

The project board also acts as a communication channel or interface with corporate management.

Key decision-maker

The **executive** is the decision maker on the project and the project manager should defer to the executive if the project board cannot agree on something. In other words, the project board is NOT a democracy controlled by votes. The **senior supplier** and **senior user** roles on the project board will help and support the executive to take sensible decisions.

The project board is responsible for **project assurance**, but the project board members may appoint persons to perform project assurance on their behalf e.g. to undertake some of the reviewing and assessing actions such as reviewing plans.

Activities

The Project Board performs 5 activities:

1. **Authorize initiation** - ensure that the project investment is worthwhile and notify corporate management and other interested parties. The **communication management approach** includes any information about these stakeholders' information requirements.
2. **Authorize the project** – approve the **project initiation documentation (PID)** but only if the project board is satisfied that the firm foundations for the project are in place i.e. that we know the project scope, costs, times, risks, benefits, who will take decisions, how progress will be monitored and reported, how risks, issues and quality will be monitored and controlled, and who needs information and when.
3. **Authorize a stage or exception plan** – review the performance of the current stage and approve the next **stage plan** (or **exception plan**) if the business justification still exists, and commit the required resources. The project board also reviews **lessons reports** and agrees on who should receive them. The project board approves **product descriptions** for the major products to be delivered.

4. **Give ad-hoc direction** – review **highlight reports**, **issue reports** and **exception reports** from the project manager and take decisions about **project issues**, risks and changes.

5. **Authorize project closure** - review and approve the **end project report** (and **lessons report**) if it is satisfied that there is nothing more for the project to do.

Initiating a project

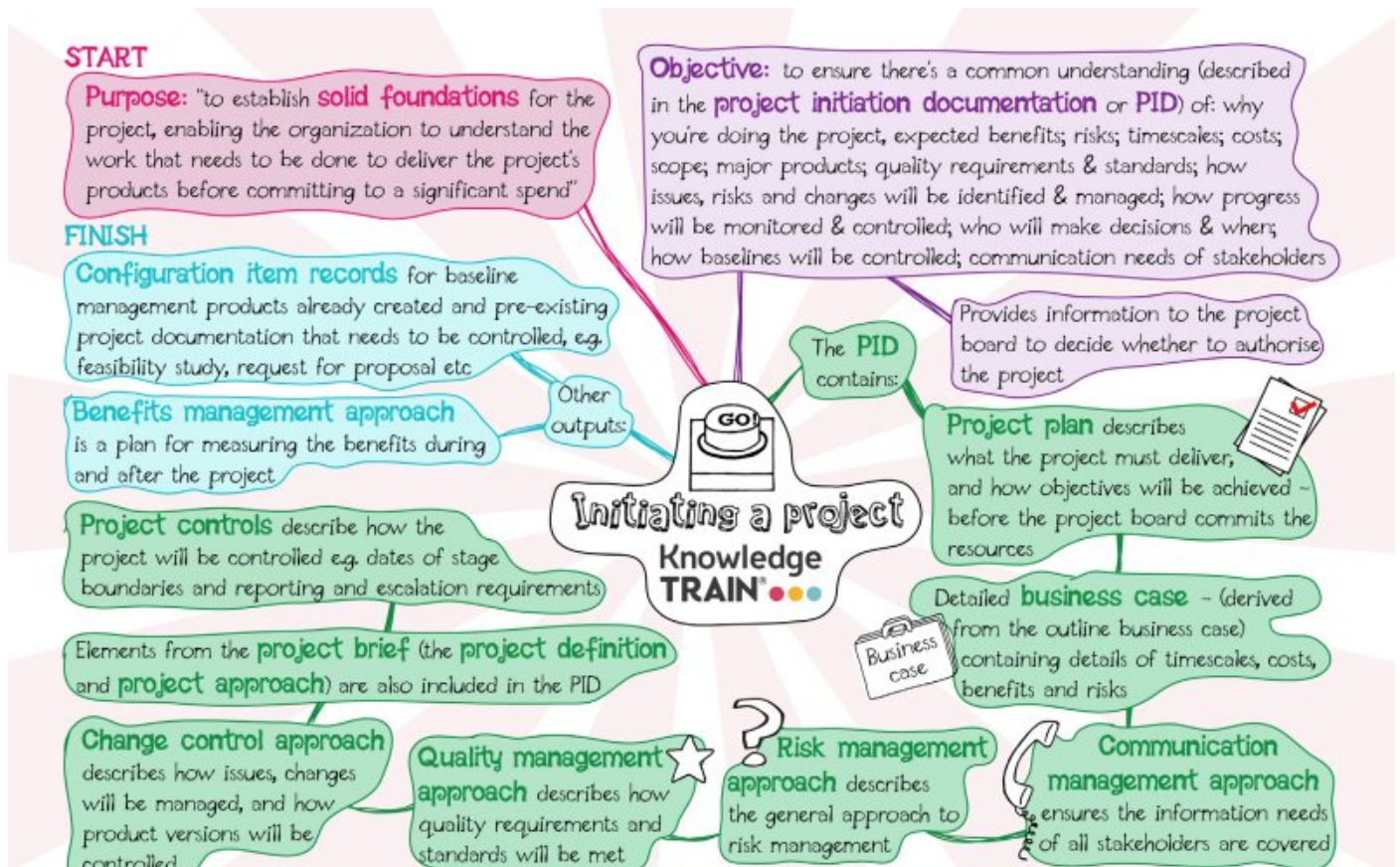
Purpose

The purpose is to put in place the solid foundations for the management and control of the project, enabling the customer to understand the work, time and money required to deliver the project's products before it commits to a significant investment. ^[3]

Objectives

To ensure there's a common understanding of:

- the reasons, timescales, costs, scope, major products, expected benefits, and risks
- the quality requirements and standards
- how baseline products will be controlled
- the communication needs of stakeholders



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Outputs

The main output of this process is the **project initiation documentation (PID)** which contains the following:

- **Project plan** - defining what the project must deliver including the costs, resources and timescales
- Detailed **business case** - containing the business justification
- **Communication management approach** - describing the information needs of stakeholders
- **Risk management approach** – describing the project’s approach to risk management
- **Quality management approach** – describing how quality requirements and standards will be met
- **Change control approach** – describing how changes and issues will be managed and how baseline products will be controlled
- **Project controls** – describing how the project will be controlled e.g. dates of stage boundaries, reporting and escalation requirements
- **Tailoring** – describing how PRINCE2 and any corporate or programme processes will be tailored

A **benefits management approach** is also created which describes how the benefits will be measured and by whom. It is updated at the project’s end and is not archived because it remains an active document after project closure and is owned by corporate management.

Managing a stage boundary

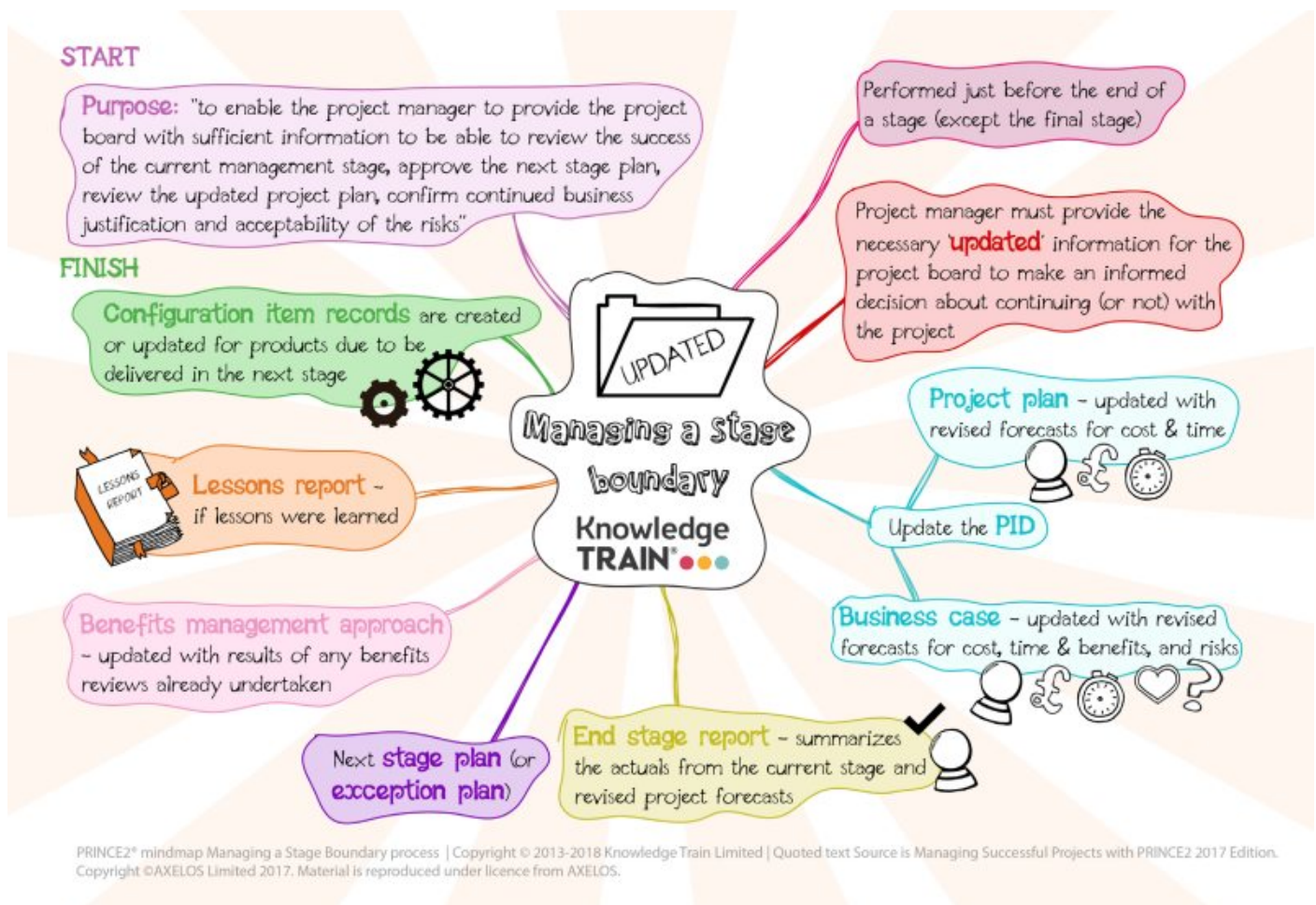
Purpose

The purpose is to provide the project board with an updated view of the project, so it can review the achievements of the current stage, approve the next stage plan, review the updated project plan, and confirm the project is still justified and that the risks are still acceptable. ^[4]

Objectives

- To assure the project board that all products in the current stage plan have been completed and approved
- to prepare the next stage plan
- to review and, if necessary, update the PID
- to provide the information needed for the project board to assess the continuing viability of the project
- to record any information or lessons that can help later stages of this project and/or other projects

- to request authorization to start the next stage
- in an exception situation to prepare an exception plan and seek approval to replace the project plan or stage plan for the current stage with the exception plan



Performed at end of a stage

Towards the end of every stage (except the final stage) the project manager performs this process to start planning for the next stage.

End stage assessment

The 'manage by exception' principle means that the project board only meets with the project manager at the end of a stage (known as an **end stage assessment**). At this point the project manager must provide the necessary information for the project board to make an informed decision about continuing with the project.

Updates

The project manager updates the 5 management approaches and the **business case** and **project plan**.

The **project plan** is updated by incorporating the actual progress from the stage just finishing, and the revised time and cost forecasts for the remainder of the project.

As the executive is responsible for the **business case**, the project manager should consult with the executive when reviewing and updating the **business case** in preparation for project board approval. The **risk register** is used to help understand the project's aggregated risk exposure, and to identify the current key risks that affect the **business case**.

The **benefits management approach** is reviewed to check the results of any benefits reviews undertaken during the stage.

In an exception situation, an **exception plan** is created if the project board asks for one - based on recommendations made in a previous **exception report**. When this happens, instead of creating the next **stage plan**, the project manager uses the process to create an **exception plan**. Just like at the end of a stage however, the project plan and business case are updated and an end stage report is written.

A **lessons report** may also be created in this process. The different approaches might need to be revised, based upon lessons learned about quality, risk, or issue management or change control during the stage.

Controlling a stage

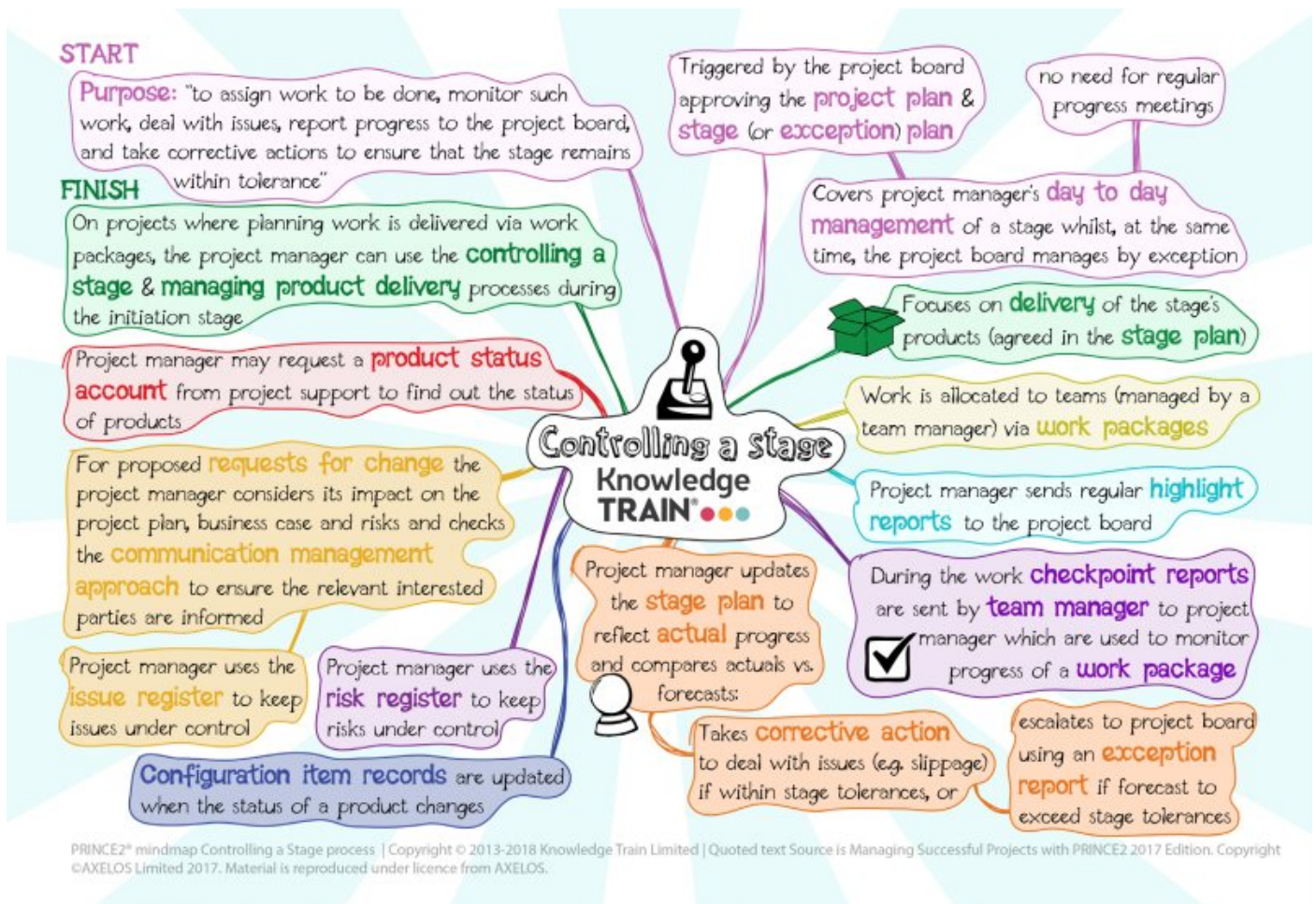
Purpose

The purpose is to assign work to teams, monitor the work, manage issues and risks, report progress to the project board, and take actions to ensure that the stage remains within its tolerances. ^[5]

Objectives

To ensure that:

- the project management team is focused on delivery within the tolerances
- risks and issues are kept under control
- the business case is kept under review
- the agreed products are delivered to the stated quality standards, within agreed cost, effort, time constraints
- progress is reported to the project board (highlight reports)
- tolerance threats escalated via exception reports



Covers the day to day project manager's work

The process covers the day to day management of a stage by the project manager whilst, at the same time, the project board 'manages by exception'.

After the initiation stage, as soon as the project board has approved the project, and the next **stage plan** (or **exception plan**), the project manager can proceed with the next stage by issuing instructions about work to teams. Thereafter, this process is triggered whenever the project board approves either a stage plan or exception plan.

Focusing on delivery

The process focuses on the delivery of the stage's products. Any deviation away from the stage plan agreed before the stage commenced is monitored and corrective actions taken.

The project manager allocates work to teams (managed by a team manager) via **work packages**. Work should not be started without project manager's authorization. A team executes a **work package** in the managing product delivery process, and ensures that specialist products are approved as part of that process before handing the products back to the project manager.

As part of the work package authorisation, reporting and problem handling arrangements must be agreed, and the **risk register** updated to include any new risks.

Monitoring the team's work

Once the work is under way, the team manager sends regular **checkpoint reports** to the project manager. The project manager collects and reviews progress information from these reports and assesses the estimated time and effort to complete any remaining work. If slippages in the work occur the project manager takes corrective action but only for issues that are within stage tolerances. For slippages which will cause an exception, the project manager writes an **exception report** and sends it to the project board.

Reporting progress

Throughout the stage, the project manager sends regular **highlight reports** to the project board.

The **stage plan** (or **exception plan**) is updated during the process with actuals from the current stage, and forecasts for the remainder of the stage. However, the project plan and business case are NOT updated during this process. Instead they are updated within the managing a stage boundary process at the end of the stage.

Managing issues and risks

A key part of this process is for the project manager to review the stage at regular intervals and to review the status of issues and risks. For any proposed **requests for change** the project manager considers the impact the change will have on the project plan, the business case and the risks and checks the **communication management approach** to ensure the relevant interested parties are informed. The project manager might request a **product status account** from project support to report the current status of any of the products.

Complex projects

NOTE: In complex projects where some planning work is delivered through the use of **work packages**, the project manager could use the controlling a stage and managing product delivery processes during the initiation stage.

Managing product delivery

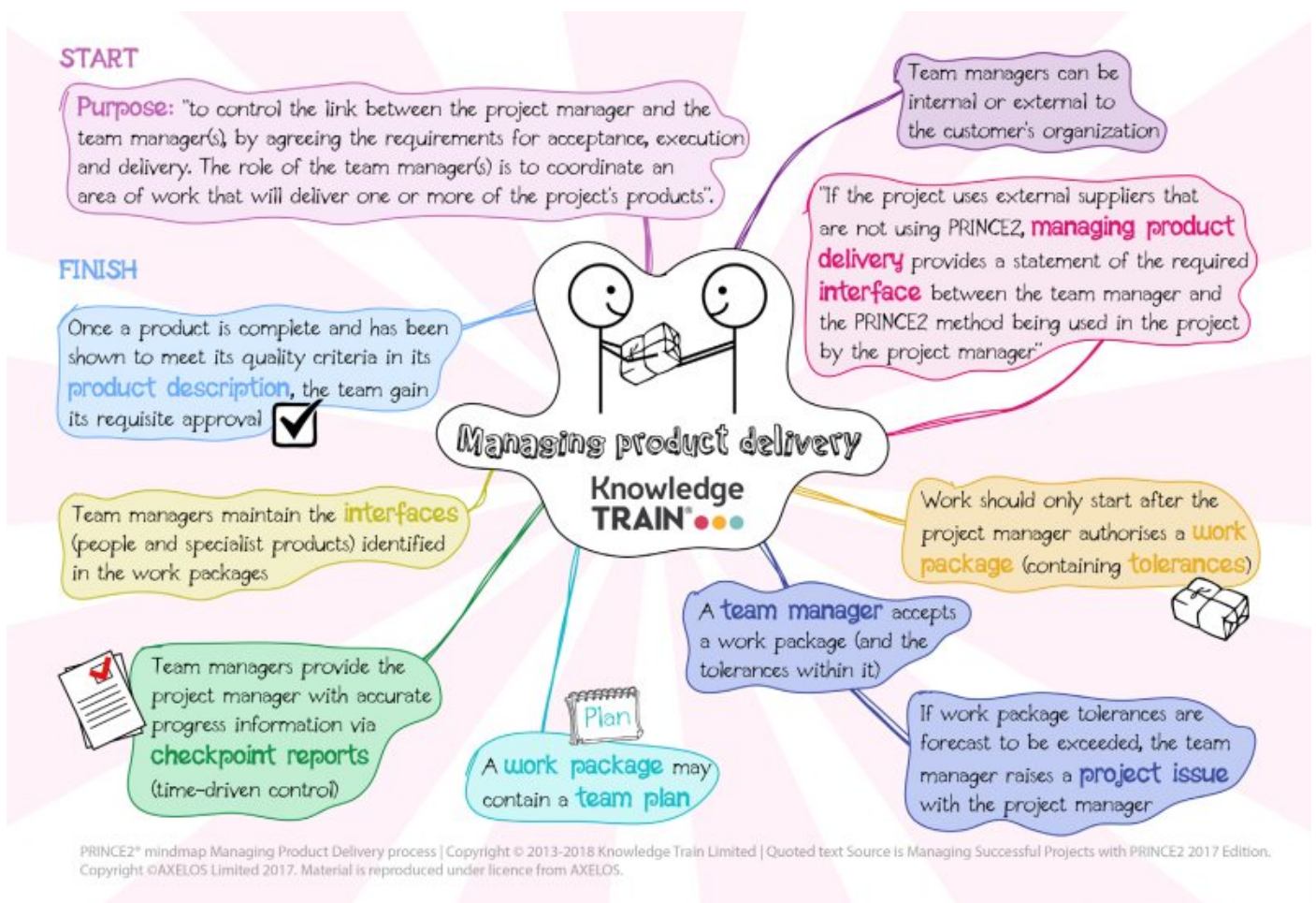
Purpose

The purpose is to control the link between the customer and supplier by placing formal requirements on the team manager for the work to be done. The team manager(s) is responsible for coordinating an area of work that will deliver one or more of the project's products. ^[6]

Objectives

To ensure that:

- work on products allocated to the team is authorized and agreed
- team managers and suppliers are clear as to what is to be produced and what is the expected effort, cost or timescales
- the planned products are delivered to expectations and within tolerance
- accurate progress information is provided to the project manager at an agreed frequency to ensure that expectations are managed.



Team manager

This process is performed by the team manager. It is not uncommon that the supplier (for whom the team manager works) does not use PRINCE2, and in many cases, may not know much about it. This is not a problem because this process provides a statement of the interface required between the team manager and PRINCE2 which is being used by the project manager.

Work packages

In PRINCE2, work should only be started once the project manager has authorized a **work package**.

When a **work package** is accepted, the team manager also agrees to the tolerances set for it by the project manager. The team manager makes a (optional) **team plan**, which the project manager and/or senior supplier will authorize. Note: It may not be possible or appropriate for a project manager to authorize a **team plan** for commercial reasons, in which case agreement about delivery dates and costs will suffice.

Reporting progress

Team managers must provide the project manager with accurate progress information via **checkpoint reports**. They will also maintain the interfaces (people and specialist products) identified in the **work packages**.

Once products are complete, the team gains their requisite approval from the authorities identified in the **product description**.

Escalation

NOTE: If a team manager forecasts a deviation beyond **work package** tolerance he/she raises a **project issue** with the project manager (i.e. the team manager does not write an **exception report**).

Closing a project

Purpose

The purpose is to provide a fixed point at which it is confirmed that acceptance for the project product has been obtained, to review whether the objectives set out in the original project initiation documentation have been achieved and that there is nothing more for the project to do. ^[7]

Objectives

- to verify user acceptance of the project's products has been obtained - this requires that the project's **acceptance criteria** have been met
- to ensure the host site(s) is able to support the products when they go operational
- to review project's performance against its baselines
- to assess any benefits already been realized, update the forecast for the remaining benefits, and plan for a review of all unrealized benefits
- to ensure provision has been made to address all open issues and risks with follow-on action recommendations

START

Purpose: "to provide a fixed point at which acceptance for the project product is confirmed, and to recognize that objectives set out in the original project initiation documentation have been achieved, .. or that the project has nothing more to contribute"

NOTE: closing a project is NOT a separate stage performed at the end of the project but is a process performed towards the end of the final delivery stage

Towards the **end of the final stage** (all work has been nearly completed) - closure activities are planned and resourced when creating the final stage plan

This process can be triggered in 2 ways:

At any time when the project board wants to **prematurely close** the project

FINISH

A **draft project closure notification** is prepared, for approval by the project board

A **lessons report** is written describing what went well/badly with any recommendations for corporate/programme management

Actions specific to the project's products may be required after the project closes (documented as **follow-on action recommendations**)

project costs should no longer be incurred

the project management team can be disbanded

the operational team(s) can now take over the products from the project

Closing a project

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Objectives of this process are:

Verify **user acceptance** of the project's products ✓

Review the **performance** of the project against its **baselines**

Assess any **benefits** that have already been realized, update the forecast of the remaining benefits, and plan for a review of those unrealized benefits

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Handover products

The closing a project process is NOT a separate stage performed at the end of the project but is a process performed towards the final delivery stage (the controlling a stage and managing product delivery processes are still being performed at this time). This process is where the physical handover of products to the customer occurs (unless it has already happened), but the handover can only occur if acceptance has been obtained.

This process is triggered towards the end of the final stage, when all the work has nearly been completed. Closure activities should be planned and resourced when the stage plan for the final stage is created.

Benefits of formal closure

This process also ensures there is a clear end to the project. This has several benefits to the customer:

- The operational regime can now take over the products from the project
- The project management team can be disbanded
- No more project costs should be incurred

Follow-on actions

It is common to find at the end of a project a number of things which perhaps were never completed – e.g. requests for change which never got implemented, or there might be operational risks. These are examples of things which need to be documented in the form of **follow-on action recommendations** which forms part of the **end project report**.

Lessons

A **lessons report** is prepared, documenting both the good things and bad things which happened on the project along with any associated recommendations for corporate management to address on future projects, or as part of business-as-usual.

Notification to stakeholders

Finally, the project manager prepares a **draft project closure notification** and sends it to the project board for approval. After the project closure is authorized by the project board (in the directing a project process), the project is now history. All management products used during the project must be archived securely, in case an audit is performed at a later date.

Moving into operational use

Since the project has now finished, and the project management team no longer exists, the project's products are now used by users (and the operational/support teams) to realize the benefits which were specified in the business case.

Post project

As and when the benefits are realized they are recorded in the benefits management approach. This approach is the only management product therefore which is actively used after the project has closed. It is the responsibility of corporate management to ensure that the **benefits management approach** is executed and actively managed after the project closes.

Summary

PRINCE2 is comprised of 4 integrated elements: principles, themes, processes and the project environment.

This series of ebooks has described the first 3 elements: principles – the foundation stones of the methodology; themes – the project management aspects which must be continuously addressed throughout the project; processes – which describe the decisions which must be taken on a project, when, and by whom.

Hopefully you now have a basic understanding of how PRINCE2 works.

References

[1] AXELOS (2017). *Managing Successful Projects with PRINCE2®*. Norwich: The Stationary Office. P166.

[2] AXELOS p180.

[3] AXELOS p196.

[4] AXELOS p246.

[5] AXELOS p216.

[6] AXELOS p236.

[7] AXELOS p260.

About the author



[Simon Buehring](#) is the founder and Managing Director of Knowledge Train, an accredited PRINCE2 and project management training organization based in the UK. He is the author of various ebooks about project management and PRINCE2 and is a regular trainer of PRINCE2 arounds the globe.