

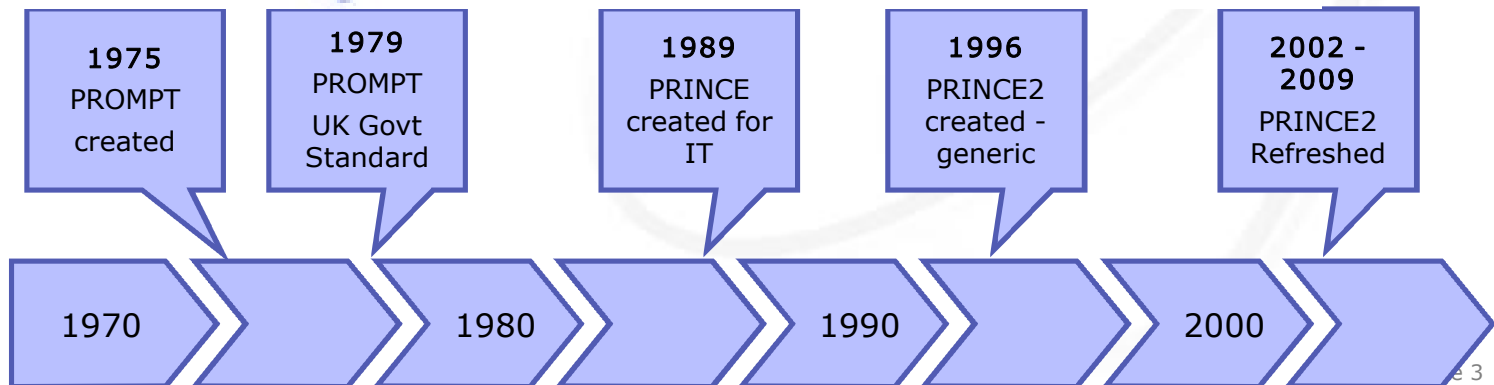
# PRINCE2™ - Value Driven Project Management

Paul Atkin

# Basics

- PROjects IN Controlled Environments
- Originally for IT – PRINCE2 is generic
- International situation:
  - In 2008 (last full year)
    - 120,000 certifications
    - 20% growth on 2007
    - 68 countries

# An International Methodology...



# Who uses PRINCE2?

- Governments
  - UK (McCartney Report, 2000), Australia (Gershon Report 2008), Netherlands, Denmark
- Private Sector
  - Sun Microsystems, Phillips Electronics, DHL, British American Tobacco
  - Microsoft, HP, IBM (recognition in certification programs)
- NGOs
  - United Nations Development Program, NATO

# Context: UK Best Practice portfolio:

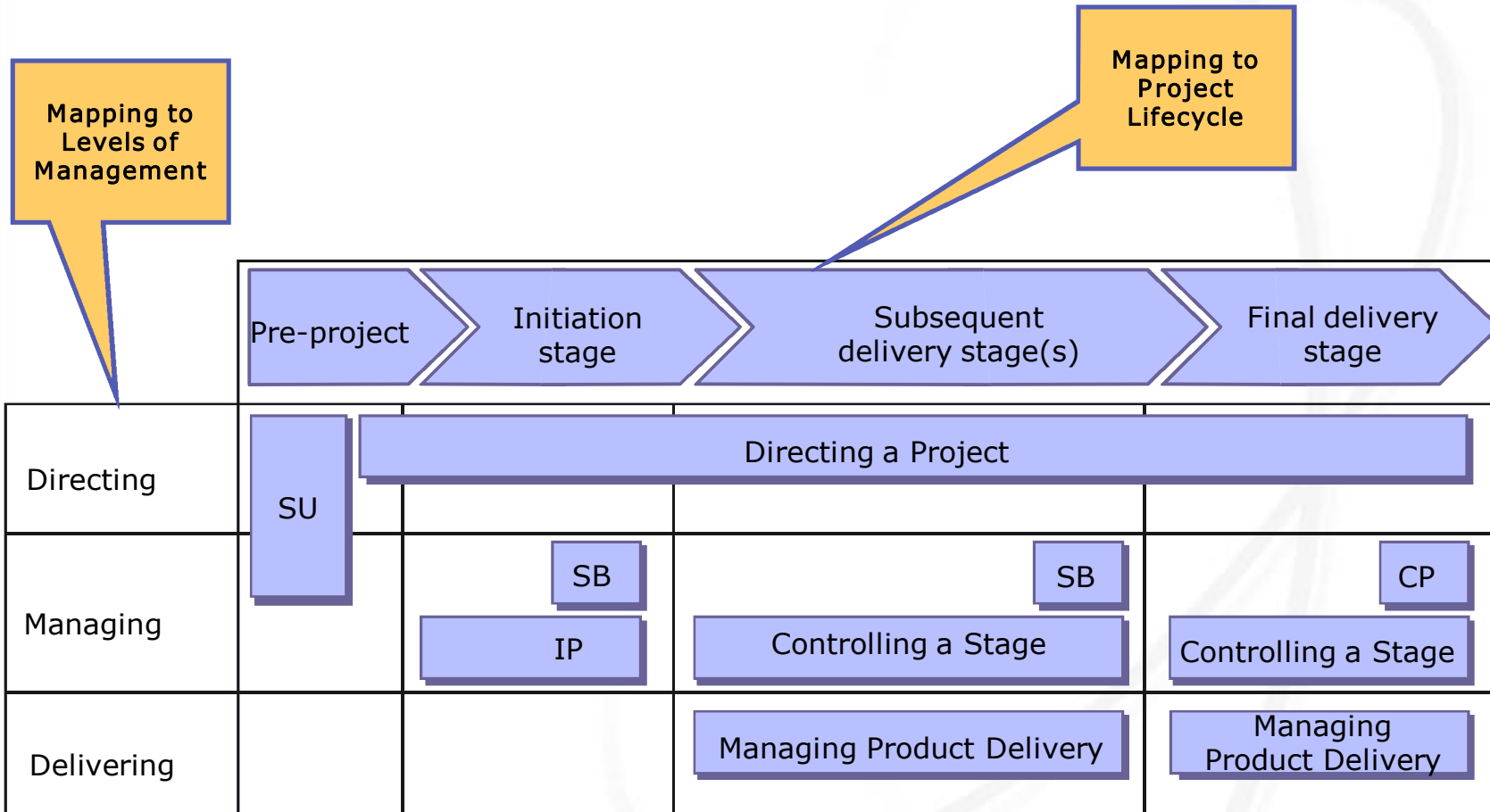


"Most companies have good people, the companies that win in the long term have the best practices" ~ Peter Drucker

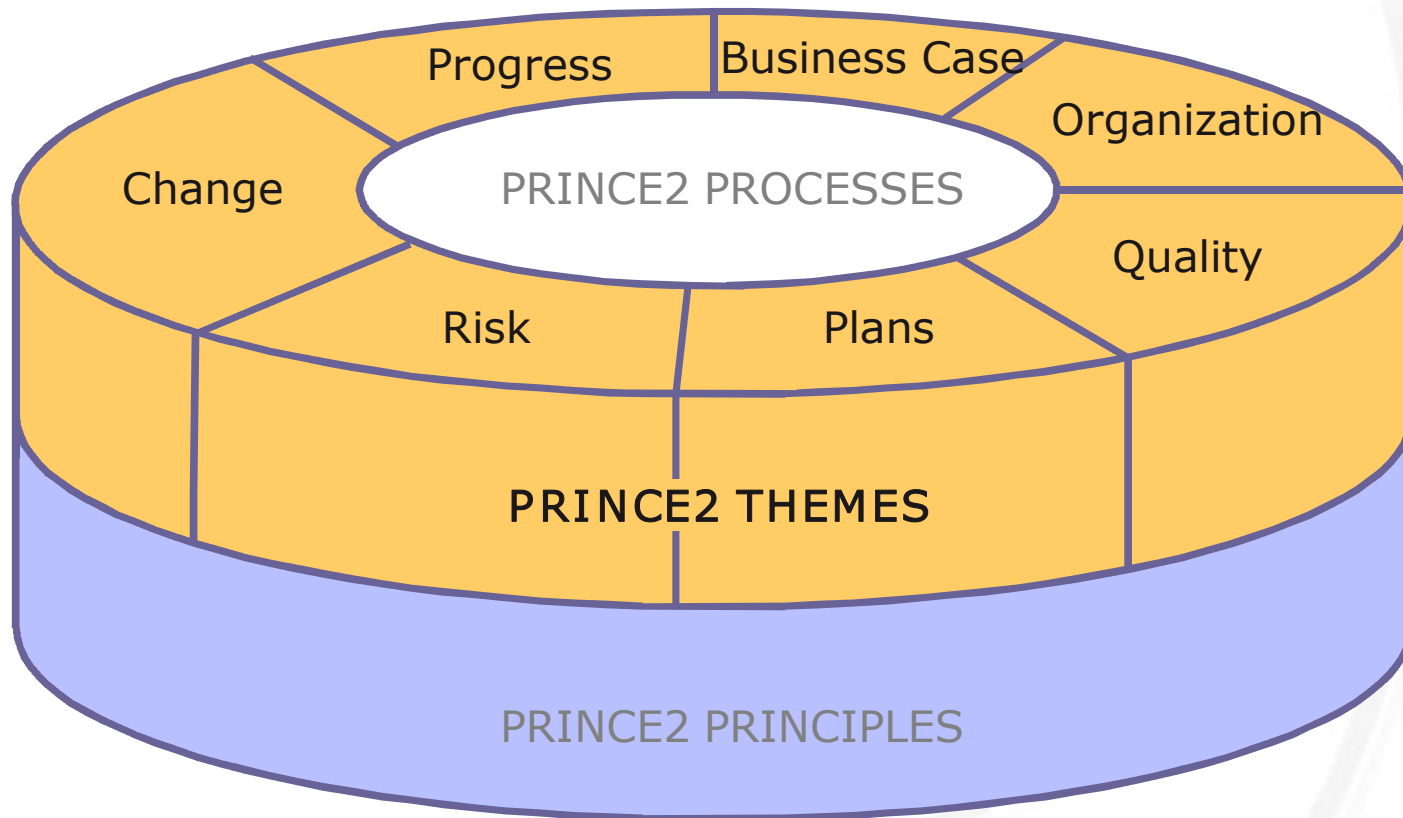
# PRINCE2 Principles

- Continued business justification
- Learn from experience
- Defined roles and responsibilities
- Manage by stages
- Manage by exception
- Focus on products
- Tailor to suit project environment

# PRINCE2 Processes



# PRINCE2 Themes



# Business Case

## Business Case

Executive Summary  
 Reasons  
 Business options  
 Expected benefits  
 Expected dis-benefits  
 Timescale  
 Costs  
 Investment appraisal  
 Major risks

Business value drives a PRINCE2 project.

Business Case document is:

### Maintained

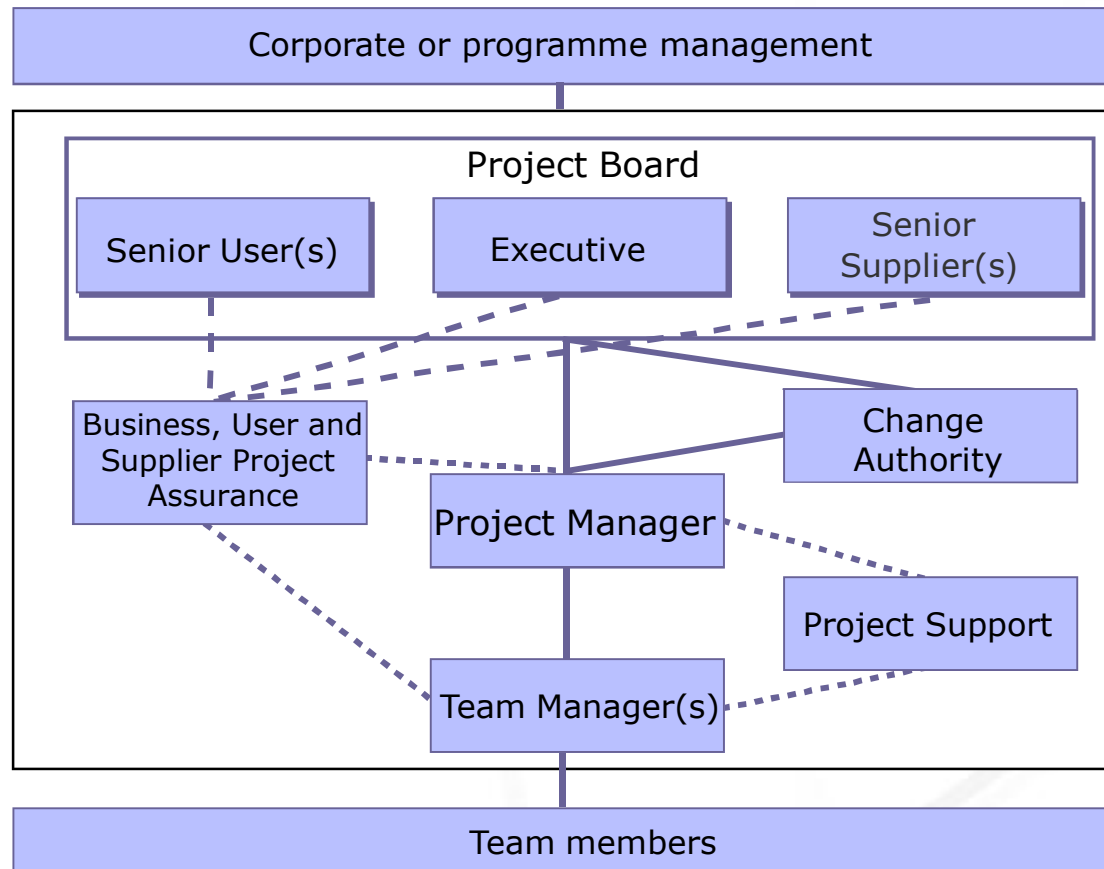
Updated with actual cost & benefit information

### Verified

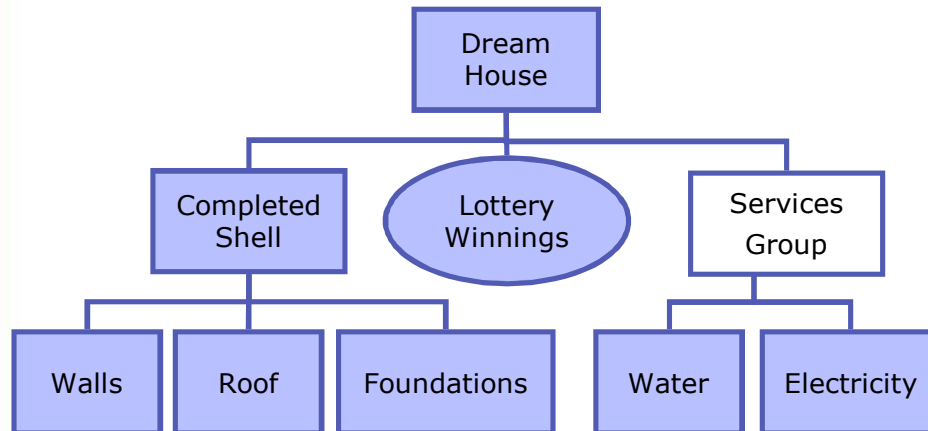
Regularly checked to ensure value + viability of the project:

- Pre-project
- Initiation
- Stage ends
- In response to major events – risks / issues

# Project Management Structure



# Product Based Planning



Step 1:

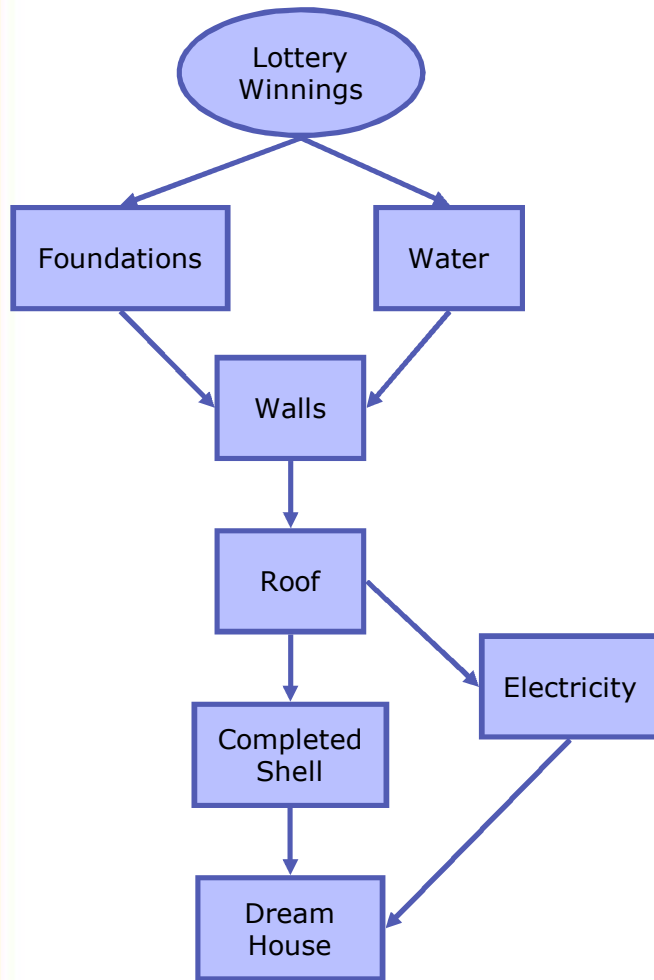
Product Breakdown Structure

## Product Descriptions

Identifier  
Title  
Purpose  
Composition  
Derivation  
Format and presentation  
Development skills required  
Quality criteria  
Quality tolerance  
Quality method  
Quality skills required  
Quality responsibilities

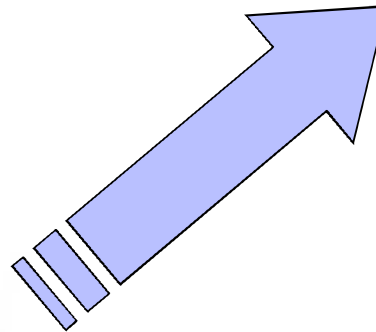
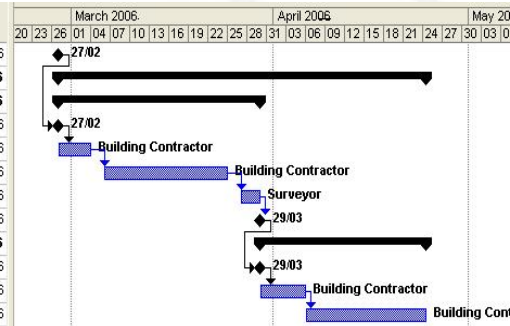
Step 2:

Product Descriptions



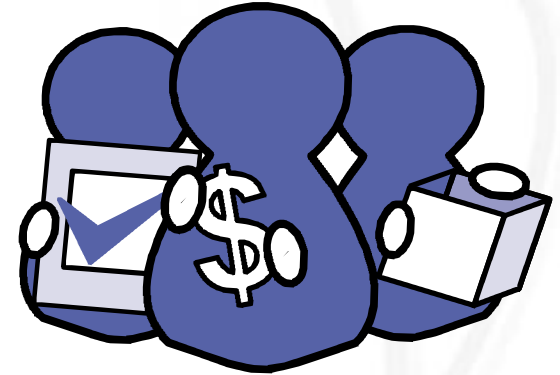
**Step 3:**  
Product Flow Diagram

Task Name	Duration	Start	Finish
1 Start Project	0 days	Mon 27/02/06	Mon 27/02/06
2 Preparation	48.5 days	Mon 27/02/06	Mon 24/04/06
3 Cleared Site	23 days	Mon 27/02/06	Wed 29/03/06
4 Start	0 days	Mon 27/02/06	Mon 27/02/06
5 Remove debris	1 wk	Mon 27/02/06	Fri 03/03/06
6 Digging	3 wks	Mon 06/03/06	Fri 24/03/06
7 Inspection	3 days	Mon 27/03/06	Wed 29/03/06
8 End	0 days	Wed 29/03/06	Wed 29/03/06
9 Installed Foundations	17.5 days	Wed 29/03/06	Mon 24/04/06
10 Start	0 days	Wed 29/03/06	Wed 29/03/06
11 Prepare ground	1 wk	Thu 30/03/06	Wed 05/04/06
12 Concrete base	2.5 wks	Thu 06/04/06	Mon 24/04/06



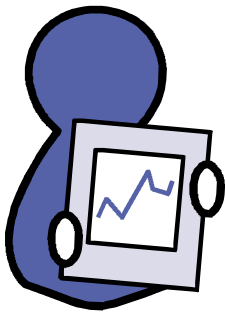
**Later Planning Activities:**  
Dependencies, Estimates,  
Scheduling

# Management By Exception



Project Board  
*DECISION MAKERS*

CONTROL BY:  
Stages and Assessments  
Tolerance  
Progress Reports  
Exception Process



Project  
Manager  
*DO-ER*

What is the value of



# Saves Time

- Standardization - recruit, replace, train, audit
- Management by Exception - reduces Senior Management time, maintains control
- Road Map - process based, economy of effort
- Mature Method - not starting from the ground up

# Saves Money

- Driven by the Business Case: the PRINCE2 life support system
- Free to use. In-house methodology est. @ \$200 – \$500K
- Front loaded – effort in Start Up and Initiation of project
- White Paper available on request- \$900,000 saved by implementing PRINCE2

# Improved Quality & Compliance



- Product Based Planning – results oriented, quantifiable outcomes
- Change Control Technique - documented
- Organization – written role descriptions
- Can be mapped to other standards:  
PMBOK, CMMI, Agile – some White Papers available

# Certification options

- PRINCE2 Foundation Certificate:
  - 3 days training
  - Delivers PRINCE2 knowledge, terminology
  - 1 hour, multiple choice exam – 99% pass rate
- PRINCE2 Registered Practitioner:
  - 2 additional days training (usually a 5 day, combined, class)
  - Delivers PRINCE2 application, scalability
  - 2.5 hour, “Objective Testing” paper – 75% pass rate

# How do I obtain Certification?

- Training
  - Only PRINCE2 Accredited Training Organizations or Affiliated Organization can deliver official classes
  - Advantage Learning is a PMI Registered Education Provider
  - Earn 59 PMI PDUs for PRINCE2 Practitioner class
- Exams
  - PRINCE2 exams are included in training course's price & schedule. (Not available through Prometric testing)
  - No pre-requisites to take the exams
  - Requirement to re-certify every 5 years

# Summary

- Standardized approach to project management
- Proven over 30 years and internationally accepted
- See Into The Future...

# Questions and Next Steps

# Next Steps

- Request more information
  - Copies of slides
  - Course information
  - PRINCE2 Pocketbooks
- Discuss certification



OR



OR



PRINCE2 Methodology complements the PMI Framework

# Why use PRINCE2 when I have the PMBOK?

- PMBOK does not claim to be a methodology:
  - *"the PMBOK Guide is neither a textbook, nor a step-by-step, or "how to" type of reference"* PMI Today, Feb 2006
  - *"that is our speciality: frameworks, not methodologies"* Greg Balestrero, CEO, PMI, REP Breakfast meeting, October 19<sup>th</sup> 2008
  - *"...this guide is neither complete nor all-inclusive. This standard is a guide rather than a methodology"* PMBOK 4<sup>th</sup> Edition, Section 1.1
- PRINCE2 is an internationally accepted methodology

# Why use PMBOK when I have PRINCE2 ?

- PRINCE2 does not claim to cover every aspect of project management:
    - *"It is not intended... for PRINCE2 to cover every aspect of project management. There are 3 broad topic categories which are deliberately outside the scope of PRINCE2:*
      - *"Specialist aspects...such as organisational change or procurement*
      - *"Detailed techniques... critical path analysis and earned value analysis...*
      - *"Leadership capability"*
- Managing Successful Projects with PRINCE2, 5th Edition, Pages 6/7
- Many of these areas are well covered by the PMBOK