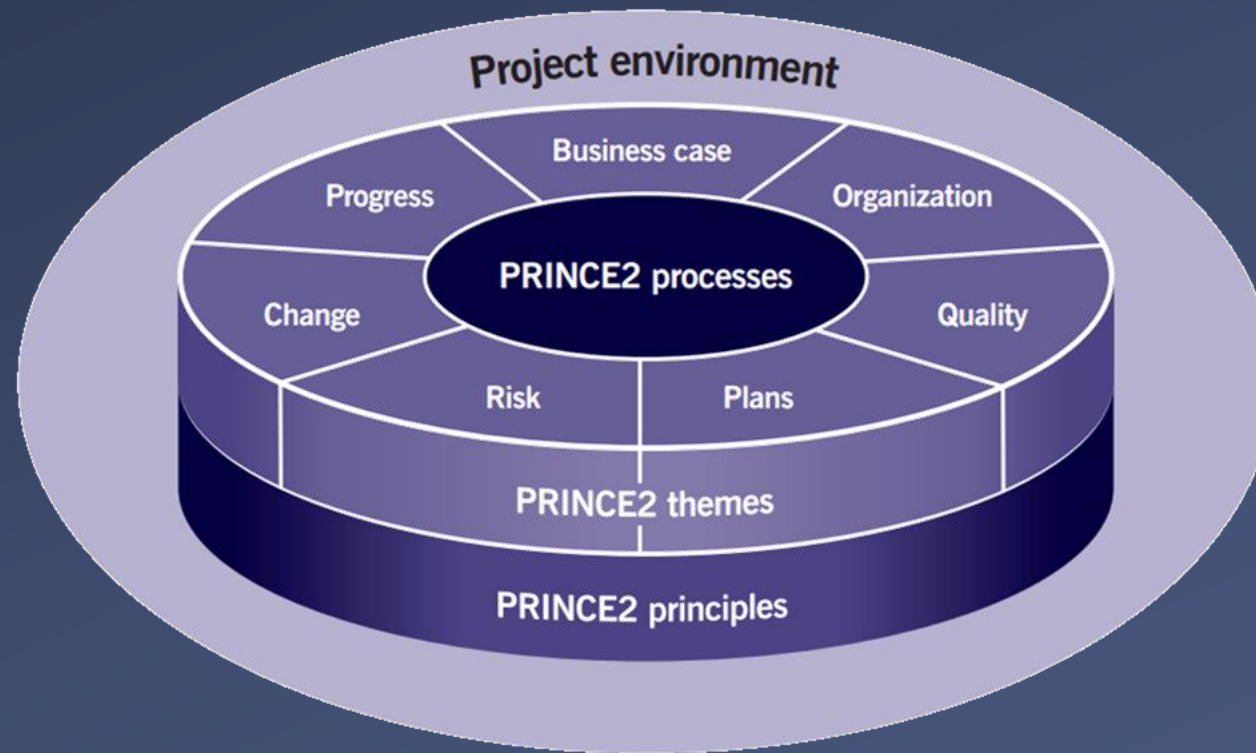


PRINCE2



PRINCE2 principles

The seven PRINCE2 principles are:

- continued business justification
- learn from experience
- defined roles and responsibilities
- manage by stages
- manage by **exception**
- focus on products
- tailor to suit the project.



To be following PRINCE2, these principles must be adopted when managing a project. Minimum requirements set out in the themes and processes chapters must also be satisfied. These minimum requirements describe what has to be done, rather than how it is done.

Source: Axelos, 2017

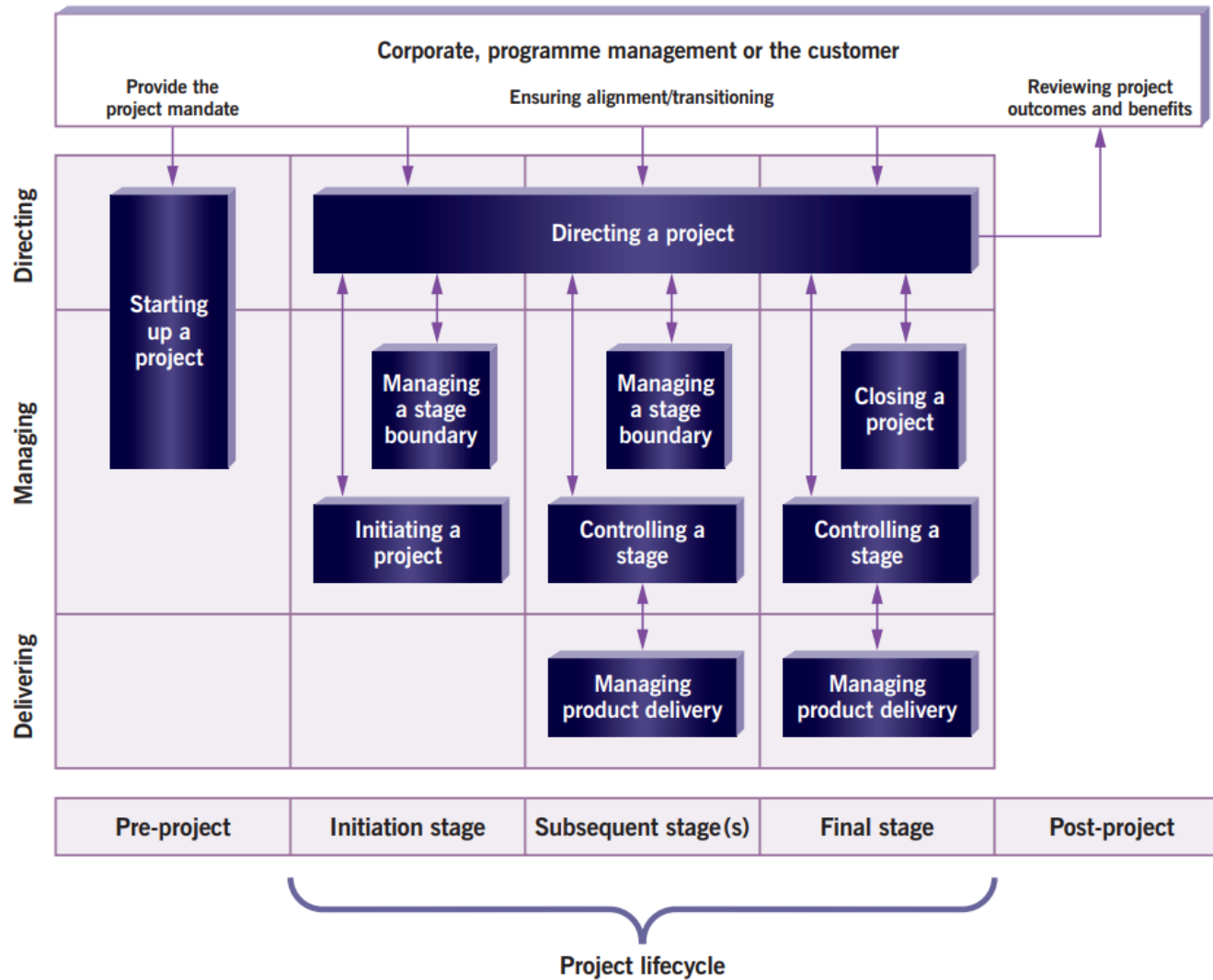
PRINCE2 principles: management by exception (MBE)



Management by exception ("no news is good news") is the starting point in PRINCE2:

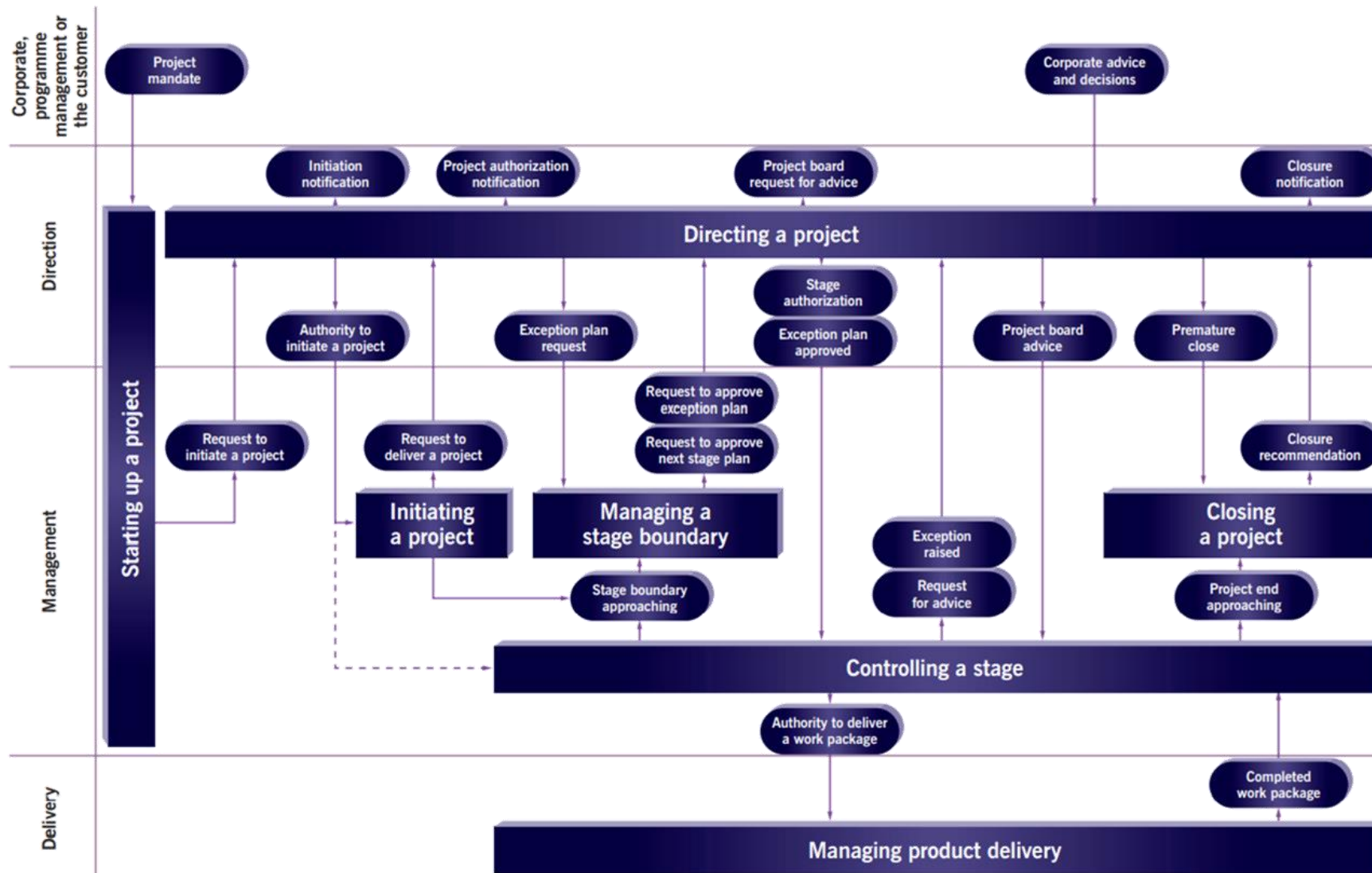
- To make **efficient and effective use** of management attention, responsibilities are **delegated** with the corresponding leeway.
- Only when the **tolerances** are in danger of being exceeded at a certain level is the higher level of management called in.
- Implementing management by exception ensures efficient use of senior management's time.
- The **time investment for senior management** is **reduced without removing their control** by ensuring that decisions are made at the right level in the organisation.

PRINCE2 processes



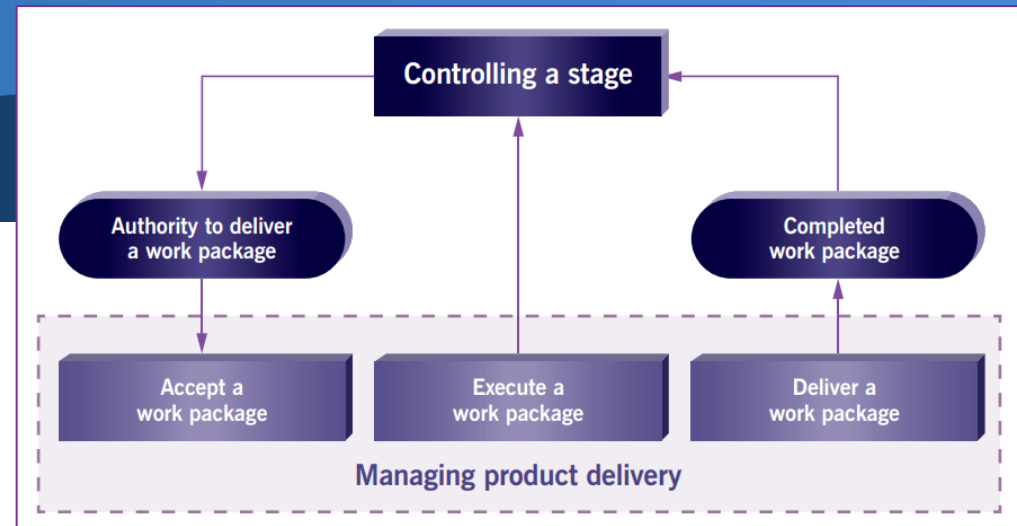
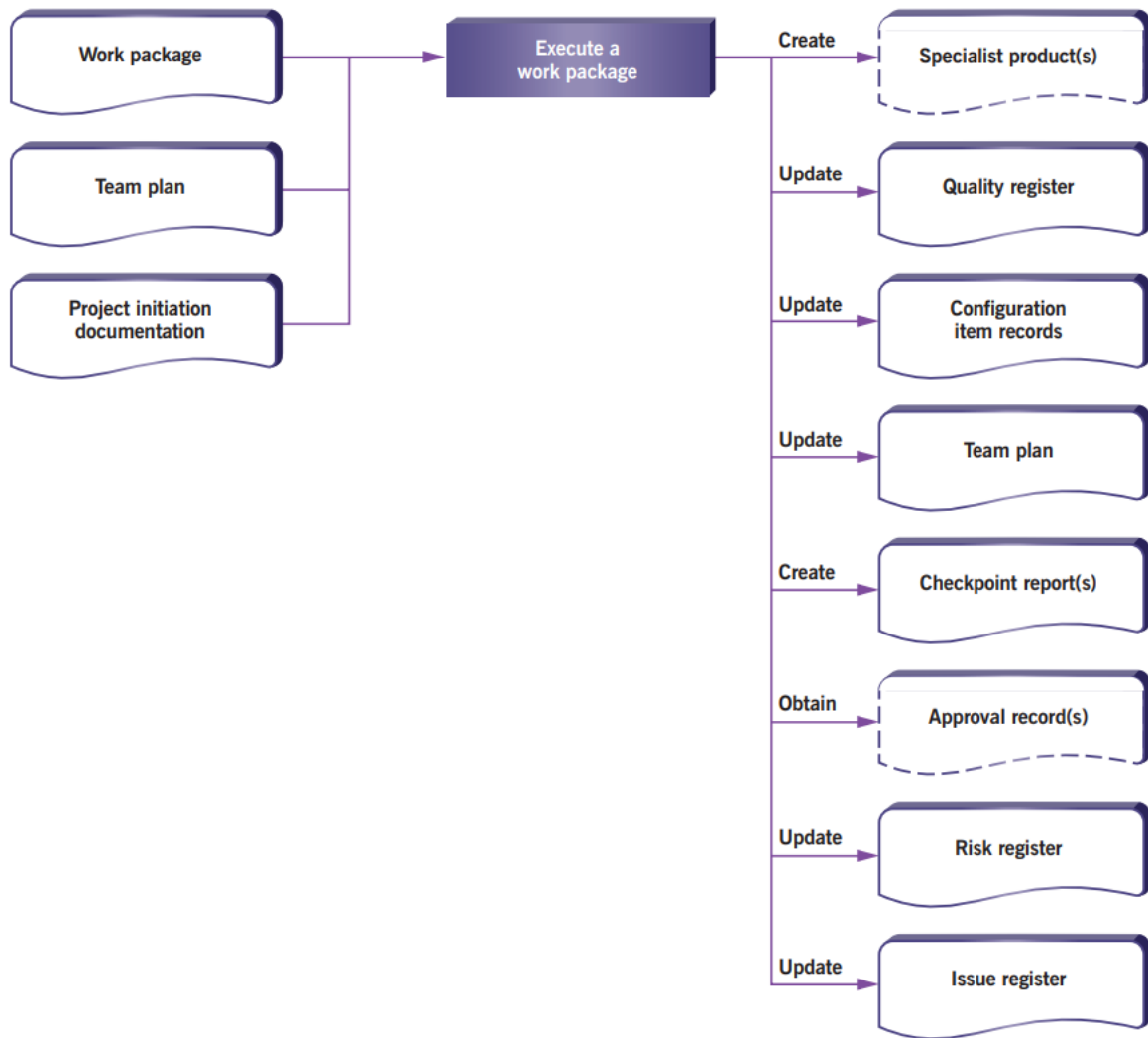
Source: Axelos, 2017

PRINCE2 process model



Source: Axelos, 2017

PRINCE2 activity example



You can see that PRINCE2 describes the process steps with military precision. This creates a risk of micromanagement (which is precisely what PRINCE2 does not aim for at all → management by exception). The challenge lies in balancing "what do you prescribe as a process" and "what do you convey in behavior change". Just diagram out all that you do when you drive a car. Even an experienced driver would get dizzy from the process description.

Source: Axelos, 2017

PRINCE2 : in addition to detail also depth



Key message

Objectives are what the project needs to achieve, whereas KPIs are the measures that indicate whether or not progress is being made towards achieving the objectives.



What are lagging and leading indicators?

Lagging indicators

Measure performance that follows events, and allow management to track how well actual performance matches that which was expected. An example could be the number of unexpected errors reported after a particular software **release**.

Leading indicators

Measure progress towards events, and allow management to track whether it is on course to achieve the expected performance. An example would be the persistent failure of a supplier to meet quality requirements early in the project.



For people who are already familiar with project management, this mode of depth makes PRINCE2 quite valuable for inspiration!

The KPIs should be aligned with the quality expectations and **acceptance criteria** defined in the **project product description**, and the project **tolerances** (time, cost, quality, scope, benefits and risk) defined in the PID.

One way to show project progress is through a project dashboard that uses graphical representations such as pie charts and histograms to display the status and trends of performance indicators. These can show the status for quantitative KPIs and are easy to understand by relevant stakeholders at all levels.

Source: Axelos, 2017



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