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Layout Design: François Louis Nicolet

Composition: Jorge Llácer-Gil de Ramales

Editorial correspondence: Llorenç Pagés-Casas <[pages@ati.es](mailto:pages@ati.es)>

Advertising correspondence: <[novatica@ati.es](mailto:novatica@ati.es)>

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# Benefits of a Structured Methodology in Project Management: How to Manage a Project in a Structured Way with PRINCE2™

*Michelangelo Carbone*

*When creating and delivering new products and services, companies are becoming more and more "project-oriented" and are increasingly aware of the benefits which project management can bring. Once companies adopted the discipline of project management, they began to structure their own processes and to standardize them in an internal methodology. The widespread use of PRINCE2, a standard project management methodology recognized worldwide, owes much to the fact that it is an easily tailored and scalable method that can be applied to all kinds of projects. The various roles and responsibilities for managing a project are fully identified and are adaptable to suit the size and complexity of the project, and the skills of the organization.*

**Keywords:** ATO, Benefits, Common Language, PRINCE2 methodology, Project Management, Project Management Certification, Project Manager, Team Manager.

## 1 Project Approach – Why

When creating and delivering new products and services, companies are becoming more and more "project-oriented" and are increasingly aware of the benefits which project management can bring.

Companies working by projects must manage several activities that are limited in time and not repetitive, and they have to address problems and reasons for failure, the most typical of which are:

- Lack of co-ordination of resources and activities.
- Lack of communication between members of the staff, and between members of staff and the supplier and the customer, leading to products being delivered which are not what the customer wanted.
- Difficulty in the identification of the responsibilities of individual members of the group.
- Poor estimation of duration and costs, leading to projects taking more time and costing more money than expected.
- Inadequate planning of resources, activities, and scheduling.
- Lack of quality control.

The Project Management discipline is not *THE SOLUTION* that completely eliminates all these problems and will allow all risks to be managed, but it is the proper way to reduce the effects of risks and anticipate all these common problems.

Through the discipline of project management, organizations attempt to plan, programme, and control the activities of a project in order to reduce these problems and to meet pre-established targets in terms of costs, timing, and customer expectations.

The way project management is performed in a company will affect the results of a project, since problems will arise in every project. But many of these problems will be solved if processes are well structured, documented and

## Author

**Michelangelo Carbone**, born in Barletta (Italy), has a BA degree from Nottingham Trent University. He is the Operations Manager of QRP Management Methods International. Before joining QRP he had several working experiences in B2B marketing for Gruppo Banca Italease and BTC International. From 2004 to 2006 he worked as marketing manager for Italy and since 2007 he has been the International Operations Manager for QRP Italy, France, Spain, and Sweden. <carbone@qrpc.net>.

repeated.

## 2 From Project Management to Structured Project Management

Once they adopted the discipline of project management, companies began to structure their own processes and to standardize them in an *INTERNAL METHODOLOGY* for internal use only, because they were aware of the benefits derived from a uniform, shared and structured approach to the management of projects. The advantage of a Project Management Methodology is that it makes people work in a structured way.

Many organizations have invented their own methodologies, especially in ICT (information and communication technology), as a result of the need to create a common standard within the organization.

The creation of a method has helped organizations document and monitor processes better and use the results as a benchmark for future projects.

An internal Project Management methodology also helps to improve the identification of specific roles and responsibilities within the organization.

While representing a step forward in the solution of some problems, the use of an internal methodology may cause other problems in the external environment.

An internal methodology that is completely unaligned with the external environment cannot meet the new requirements of projects that are growing in complexity and are becoming increasingly internationalized. This calls for a uniform language to be used both internally and externally.

## 3 From an Internal Structured Project Management to Prince2

Companies are becoming increasingly aware of the benefits which a structured project management methodology can bring. A structured project management methodology must satisfy not only the internal requirements of a company but must also:

- Be flexible and generic.
- Be usable and adaptable to the type and dimension of the project (scalable).
- Be constantly reviewed and updated (the methodology must be modernized regularly with the contributions of its users).
- Use a uniform language (the methodology must create a common language understandable both within the organization and outside it).

In PRINCE2 international organizations seem to have found the methodology that meets these requirements.

## 4 PRINCE2 – A Brief History

PRINCE stands for *P*rojects *I*N *C*ontrolled *E*nvironments and PRINCE and PRINCE2 are owned by the UK government as its standard project management methodology. The method was originally based on PROMPT, a project management method created by Simpact Systems Ltd in 1975. PROMPT was adopted in 1979 by the CCTA, the public Central Computing and Telecommunications Authority, as PRINCE, the standard method to be used for all Government information system projects.

PRINCE2 was launched in 1989 to replace PROMPT for use in Government Projects, and become a generic methodology applicable to any type of project in 1996.

PRINCE2 is owned by the CCTA, now part of the Office of Government Commerce (OGC). The OGC has an ongoing commitment to maintain the currency of the method and the tools that go with it, together with the information, books and manuals used to define the method. OGC continually builds on its popular guidance, working with organizations internationally to develop and share business and practitioner guidance within a world-class best practice framework.

Since 1996 PRINCE2 has been the most widely used project management method throughout the world. More than 250,000 certified Project Managers have passed the Practitioner exam worldwide.

Books on the method are available in English, Dutch, German, French, Spanish, Italian, Danish, Polish, and Chinese.

Key data:

- Used in more than 46 countries worldwide.
- The method has public and private sector users.
- More than 120 accredited training institutes worldwide providing courses in 17 languages.
- An official user group (The Best Practice User Group – BPUG) and other user groups covering more than 10 countries.

## 5 PRINCE2 Benefits

The widespread use of PRINCE2 owes much to the fact that it is an easily tailored and scalable method that can be applied to all kinds of projects.

Each process is defined with its key inputs and outputs, together with the specific objectives to be achieved and activities to be carried out. The PRINCE2 method describes how a project should be divided into manageable stages enabling efficient control of resources and regular progress monitoring throughout the project. The various roles and responsibilities for managing a project are fully identified and are adaptable to suit the size and complexity of the project and the skills of the organization.

PRINCE2 main benefits:

**a) Business Case.** Assurance that the project continues to have a business justification. It insists that there should be a viable Business Case for a project before it begins and continues.

**b) Common language.** Being widely recognized and understood it provides a common language for project participants.

**c) Communication.** Good communication channels between the project, project management, and the rest of the organization.

**d) Control.** A controlled and organized start, middle, and end. If you take over a project in the middle, you know what documents to look for and where to find them. Provides control in use of resources and to manage risk

**e) Proactivity.** It is proactive not reactive (but has to be prepared to be reactive to events - illness, pregnancy, accident, external events).

**f) Quality.** It focuses on quality throughout the project life cycle.

**g) Standard Approach.** Structured method providing a standard approach to the management of projects, so the method is repeatable and teachable.

## 6 PRINCE2 Structure

There are three parts to the structure of the method itself:

- Processes.
- Components.
- Techniques.

### 6.1 PRINCE2 Processes

The method offers a set of processes that provide a controlled start, controlled progress, and a controlled close to any project (see Figure 1). The processes explain what should happen and when it should be done.

**Directing a Project.** Steps that Project Board members should take to provide effective support and steering without excessive time commitment.

**Starting Up a Project.** How to qualify initial ideas and appoint a Project Board representing User, Supplier and Business interests.

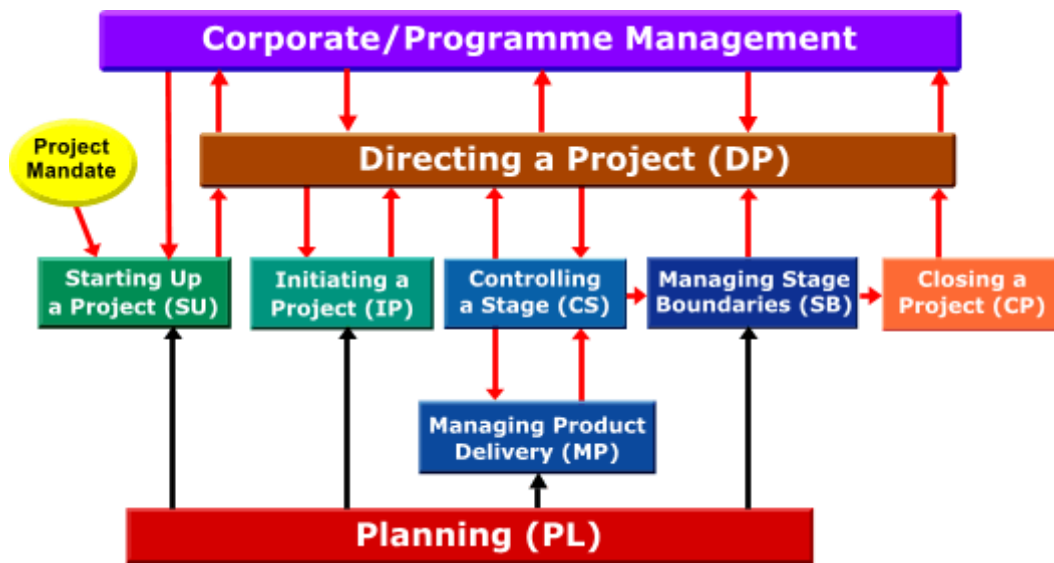


Figure 1: Processes as Defined by PRINCE2.

**Initiating a Project.** How to fully qualify a project to ensure it is likely to meet its ultimate objectives, ensuring organizational buy in before major commitment of resources.

**Controlling a Stage.** The day to day steps a project manager should take to manage work, react to events and escalate major issues.

**Managing Product Delivery.** The steps teams should take to agree work packages, report on their progress, and deliver completed work.

**Managing Stage Boundaries.** How to prepare for Project Board reviews when progress and future plans are discussed, and out of tolerance conditions handled.

**Closing a Project.** How to close down a project, how to handle follow on actions, how to handle post project benefit reviews.

**Planning.** How to plan, irrespective of when the planning is done.

## 6.2 PRINCE2 Components

PRINCE2 identifies 8 components explaining the philosophy of the methodology with regard to the different aspects of a project:

**Business Case.** A viable Business Case should drive a project. Its existence should be proved before the project is given the go-ahead and it should be confirmed at all major decision points during the project.

**Organization.** A structure of the project management team. A definition of the roles, responsibilities and relationships of all staff involved in the project. PRINCE2 describes roles. According to the size and complexity of a project, these roles may be combined, shared or allocated to an individual.

**Plans.** The method offers a series of plan levels that can be tailored to the size and needs of a project, and an ap-

proach to planning based on products rather than activities.

**Controls.** A set of controls which facilitate the provision of key decision-making information, allowing the organization to pre-empt problems and make decisions on problem resolution. For senior management controls are based on the concept of "management by exception", i.e. if we agree a plan, let the manager get on with it unless something is forecast to go wrong. A project is split into stages as an approach to defining the review and commitment points of a project in order to promote sound management control of risk and investment

**Management of Risk.** Risk is a major factor to be considered during the life of a project. The method defines the key moments when risks should be reviewed, outlines an approach to the analysis and management of risk, and tracks these through all the processes.

**Quality in a Project Environment.** The method recognizes the importance of quality and incorporates a quality approach to the management and technical processes. It begins by establishing the customer's quality expectations and follows these up by laying down standards and quality inspection methods to be used, and checking that these are being used.

**Configuration Management.** Tracking the components of a final product and their versions for release is called configuration management. There are many methods of configuration management available. The Method does not attempt to invent a new one, but defines the essential facilities and information requirements for a configuration management method and how it should link with other PRINCE2 components and techniques.

**Change Control.** The method emphasizes the need for change control and this is enforced with a change control technique plus identification of the processes that apply the change control.

### 6.3 Techniques

The method offers only a few techniques. The use of most of them is optional. You may already have a technique that covers that need satisfactorily. The exception is the product-based planning technique. This is a very important part of PRINCE2. Its understanding and use bring major benefits and every effort should be made to use it.

### 7 PRINCE2 Certification Path

The APMG (*Association for Project Management Group*) has been appointed by OGC to manage the *accreditation of training organizations (ATO)*, trainers and training materials, and the certification of candidates.

Candidates can become a Registered Practitioner after sitting the Foundation Examination and then the Practitioner Examination, in that order.

The Foundation is the first of the two PRINCE2 Examinations required to pass to become a PRINCE2 Practitioner.

This level aims to measure whether a candidate would be 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. Specifically, candidates must be able to:

- Describe the purpose and major content of all roles, the eight components, the eight processes and the sub-processes, and the techniques.
- State which management products are input to and output from the eight processes.
- State the main purpose, and key contents, of the major management products.
- State the relationships between processes, deliverables, roles and the management dimensions of a project.

The Practitioner Level aims to measure whether a candidate would be 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. Specifically, candidates must be able to:

- Produce detailed explanations of all processes, components and techniques, and worked examples of all PRINCE2 products as they might be applied to address the particular circumstances of a given project scenario.
- Show they understand the relationships between processes, components, techniques and PRINCE2 products and can apply this understanding.
- Demonstrate that they understand the reasons behind the processes, components and techniques of PRINCE2, and that they understand the principles underpinning these elements.
- Demonstrate their ability to tune PRINCE2 to different project circumstances.

■ Candidates can sit exams at ATO (*Accredited Training Organizations*). In order for any firm to become an ATO

and offer training in the method to other organizations, the APM Group has first to accredit it formally. This accreditation has three parts:

- The company has to show that it has the procedures and administrative capacity to provide and support courses.
- The training material and course timetable are checked against the method and the syllabus.
- Each trainer in the method must have passed both Foundation and Practitioner examinations, and scored well in the Practitioner examination.

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