7 PRINCE2® Principles

PRINCE2? Bureaucratic!

Over the past years public sector, financial institutions and other companies and organisations have spent a lot of time and money in the improvement of their project management. Especially in IT departments large investments were and are still made in PRINCE2 training and implementation. Did it help?

Not just Public Sector

IT-projects run by public sector have a bad reputation. Obviously only extremely badly performing projects are newsworthy. A normal properly ran project has no attraction to report about. Also obviously outside the public sector many projects do not work out satisfactory. It is a fact however that in PRINCE2 courses I am often confronted with cynical and badly motivated people complaining about poorly managed projects, both in public sector as well as in commercial business. And they expect that the course will further teach them a way of working that does not help much, probably even contributes to the ineffectiveness.

After years of delivery of PRINCE2 courses mainly in England and Germany, since a few years I am active again in The Netherlands. In courses I often meet IT staff from banks, insurance and mainly from public sector. When I ask them beforehand what they know about PRINCE2, the reaction is usually: lot of paperwork, bureaucratic. When I ask them whether PRINCE2 helps, the reaction usually is very careful and uncertain. Because course delegates will remain polite.

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A while ago a consultant took part in a PRINCE2 Foundation course. She worked at a public sector organisation as a projects controller, of course in the IT side with PRINCE2. The ice was already broken and during introduction I was already able to make some bold remarks to make people think. Like to the projects controller: "Aha! So you work for the projects sabotage club!" The consultant reacted in all openness: this was indeed how the contribution of the Projects Management Office was experienced by the projects.

What was going on? Why was I able to make these kinds of remarks without any risk? Why did the consultant react in an affirmative way? The answer is: experience with the most common bad practices.

Our private projects…

Imagine you take a child to a toyshop. The child will obviously go to the favourite toys. While the child is looking at the toys, the parent will be contemplating. Are these toys value for money? Quality, instructive, lasting, fit for purpose, etc. Am I willing to spend money on these toys? Can I spare the money?

As a parent you may well decide not to purchase. You may have a discussion with the child and with the salesperson. But who pays, decides. As a parent, you weigh up the pros and cons and you decide.

Sometimes a child will receive a present from a family member that has a completely different background and different perceptions. The child will respectfully show gratitude but shortly after the present will disappear without ever being used.

When we think and act like that in normal life, why would it be any different in our professional life? Why do users of IT products often get toys forced upon them, chosen by family members from a different background and with a different perception: the IT department? Or even by the sales person from the toyshop; the external IT supplier?

Why can the parent not decide but is an external party involved with a lot of power but little accountability. Involved to "direct" according to the rules but not with a focus on the subject? This is how many projects management offices and project controllers act: bureaucratic and ineffective. The projects management office is a saboteur of projects.

Often the answer will be: "Those are our standards. We work according to PRINCE2". But is that so? In real life PRINCE2 is rarely applied. PINO (PRINCE In Name Only) does occur far more often and explains the ineffective reality and goes hand in hand with it. How can application of PRINCE2 and PINO be recognised? PRINCE2 defined seven principles.

PRINCIPLE: Continuous justification (Business Case)

Who determines the justification?

Strangely enough both the IT department as well as the external ICT supplier think and claim that they work according to PRINCE2. The truth however is that the most important principle of PRINCE2 tells us that a project is an investment that should be preceded by a business justification: the Business Case. And that can not be produced by an internal supplier (IT department) or an external supplier. Because those organisations by definition have different, conflicting interests. The external supplier will want more turnover and profit; the internal supplier will want more power. PRINCE2 is very explicit on this topic: there are two Business Cases in a project. The Customer's Business Case will drive the project, the Supplier's Business Case can (and often will) cause conflicts. This is also the case for internal suppliers. PRINCE2 focuses on the control of a project by the customer, not at the work by the (internal) supplier. Still PRINCE2 is mainly "applied" by (internal) suppliers.

Also often a Business Case is required by a (financial) controller before any effort what so ever is put into the project. "That is a good idea and this is what our approach PRINCE2 prescribes". Again this is where it goes wrong on different levels. A controller, such as the Finance department, is not the customer and will not take responsibility. These types of support departments can be consulted on

matters of financial viability (is money available, is it a sound financial picture?) but decision-making on the investment goes far too far. They do not have the knowledge unless of course the project is in their domain. The parent will obviously also not put the decision on the purchase in the hands of their bank.

Justification before the start of a project?

It is a common misperception that a Business Case should or even can be produced before the start of the work. A Business Case is in essence an analysis of expected benefits and cost. Not just the cost of the project but also the operational cost necessary to run and support the results of the project. This analysis, including the results and consequences of the planning of the project, will be produced during the start of the project. A Business Case will be produced during the preparation and during the first stage of the project (Initiation) but not before. For logical reasons that will not be possible; first some work must be done, including the planning.

Furthermore PRINCE2 talks about continuous justification. This means a Business Case is a living document, kept up to date during the project in order to assess the viability and meaningfulness during the project.

Producing a Business Case goes further than filling in the mandatory headers of a template for a controlling staff department. A Business Case is the foundation of the goal of a project. Not once, but continuously.

PRINCIPLE: Roles and responsibilities

Another PRINCE2 principle deals with roles and responsibilities. This principle is also based on the Customer/Supplier relationship. A *Project Board* represents the three different interests in the manner described above. The Customer (both parent and child in the previous example, only now with authority to decide) are represented in the Project Board as *Executive* and *Senior User(s)*. The supplier are represented as *Senior Supplier(s)*. And because the customer delegates the management, it is a logical consequence that the project manager should also be provided by the customer. Good project management is after all far more about the focus on the customer's requirements and the business case than about the focus on technical issues. How often does a project fail because the technical side can not be made to work? In this vision a project manager from the (internal) supplier will be a irresponsible risk. Which Business Case will be served by a project manager from the supplier? What will be the focus by a project manager with a technical background? PRINCE2 is clear on this topic: the project manager should come from the customer, not from the (internal) supplier.

In the reality of many organisations, especially in Public Sector, only in name a Business Case is produced. The contents are often very poorly. A logical result because these Business Cases are created by staff from the (internal) supplier. Often the head of IT or the CIO plays a part. In our private life will we allow our supplier to define what the cost, benefits and risks will be? I don't think so because we will expect a far too positive story, that we will not recognise because of the wrong focus and jargon. In our private life we realise that the supplier has different interests. But professionally that realisation is not there, especially with our internal suppliers and as a consequence projects are estimated far too positively or started because the internal supplier knows

best for the user or organisation. This is how many ERP projects fail. This is how a project described as an IT integration project failed in Dutch Public Sector, with massive financial consequences (original budget 6 million Euros, prematurely stopped after spent over 80 million, latest very uncertain estimate 125 million Euros). The means (IT) becomes the goal and the (internal) supplier direct. Usually with very costly and personal consequences.

Another common phenomenon in bureaucracies is that there are several boards appointed to look at a project from different angles. I once got involved in a project with five (!) different boards. Obviously these were all ineffective. It was also an absurd situation that the core of all these boards contained the same people.

PRINCIPLE: Focus on Business products

Quality is determined by the customer

The success of a project will be largely determined by the quality of the products delivered. Quality should therefore be measurable. In many projects there is a focus on activities. A natural approach for a supplier but not measurable for the customer. PRINCE2 therefore discusses products. Business products, not technical products. Products that are recognised by a future user. Quality will after all be determined by the customer, not by the supplier. IT delivers technical products. IT is not a goal but a means. And never independent but as a part of a working practice. So also think about related products such as training, procedures and the organisation. When IT is seen as goal, IT will no longer be justifiable. Unless obviously you are an IT supplier: a conflicting Business Case!

Quality is to be produced by the supplier

In discussions with IT staff, quality is often discussed in terms of the process used. Terms as RUP, Agile, CMMi, etc. will be accompanied by enormous discussions and IT staff see them as their holy grail. When their favourite approach will be used, quality will be guaranteed. Unfortunately they miss the most important point. Using a good process can still produce a life-jacket made out of concrete. Maybe good quality from the supplier's point of view but no good to the user. Obviously more is required. The customer should take the initiative and the supplier should follow producing what is required.

PRINCIPLE: Management stages

A logical consequence of the previous point

If not the future usage by the child, but the production of the toy is seen as the goal of a project, the customer will not be able to make decisions. After all, the expertise will not be available. Setting up a project by technical phases will be useless and incomprehensible for the customer, because based on technical specialism. Interim evaluations and redirection will be impossible, other than on technical grounds. An important reason for inadequate corrective action because the real status and justification are understood too late or even not at all.

A case is to be made for dividing a project in parts logical to the customer. Stages will be based on risks and business products and therefore have a strong relationship with the previous principles.

Again the customer will be leading with their justification and their Business products in hand. Stages form the most important form of controlling risks and is based on the conviction that a sizeable project can not be planned in detail; there will be a "planning horizon".

The principle of control by stages is unfortunately also in other ways ignored, with negative consequences for direction and effectiveness. Think about purchasing practices. Often there is an invitation for a tender for the entire project while requirements are and can be insufficiently clear. The extremely costly consequences of this practice can and should be decreased by the usage of stages and an invitation for tender, possibly per stage based on business grounds, based on uncertainty and risk. It is cynical that the costly waste resulting from unrealistic detailed plans of an entire project is often the result of the thinking in budgets, aimed at financial control. As so often, traditional financial structures (budgets) form the basis of ineffectiveness and result in waste.

PRINCIPLE: Management by Exception

Is it not remarkable? A well qualified, well paid project manager is appointed. This person has to do the job because line management is too busy. But still the project manager is treated as incompetent and full of suspicion. Despite their business line management want to know exactly what goes on inside the project. Everyone complains about the number of meetings but still they sit down every week for hours with the project manager to discuss details. Is this sensible or is it just habits? Also according to PRINCE2 meeting are usually not useful.

If right from the start there is clearness about justification, organisation (roles) and products (quality), it will also be obvious what can not be made clear: the risks. The assignment and the risks will be analysed. In this situation proper delegation will be possible. Without long meetings the project manager can report progress compared to the high-level plan. Escalations will take place in all openness and in a timely matter. The lengthy and ineffective meeting will no longer be necessary. Proper control will exist in a relative calmness.

Obviously PRINCE2 does not suggest that the project manager can move ahead uncontrolled after authorisation of plans. But the attitude of the *Project Board* should be: trust, but verify. For the purpose of verification by the members of the *Project Board* the function of *Project Assurance* is defined. The *Executive* for example could have a financial specialist to look at plans and reports. An often made mistake is that one person takes the "role" of *Project Assurance*. *Project Assurance* can, but does not have to be delegated. Also *Project Assurance* is not a role but a function of the entire Project Board that is impossible to be executed by one person. When the different members in the *Project Board* have different interests, how can one person verify and assess those different interests?

PRINCIPLE: Learn from experiences

Projects have a poor reputation. And when you study them properly, the same mistakes are made over and over again. Basically all mistakes have directly to do with the first three principles described above: justification, organisation and focus on products and quality. However as Johan Cruijff (ex-soccer giant) once said: "you will only see it when you understand". In other words: by properly looking at the organisation and individual members of projects, a lot can be predicted about the

success, especially when there is a lot of understanding of the principles and lessons are learned from experiences. But if that understanding is not (sufficiently) there, the same mistakes will be made again.

PRINCE2 is a *Best Practice* meaning that the theory is not isolated but is developed by evaluation and by learning from mistakes and successes in projects. But that does not mean that PRINCE2 can be easily and fully applied after a course. The circumstances surrounding every project are different and that means that every project will produce lessons valuable to other projects.

PRINCIPLE: Tailoring – adjusting to circumstances

Years ago at a Dutch ministry I bumped in the following standard: if a project was estimated to exceed a certain amount of time and money, the official PRINCE2 manual had to be used. If the project was estimated to stay under these boundaries, the book The Little PRINCE2 had to be used. This book The Little PRINCE2 was nothing more or less than an extract from the official manual. However useful some may find this extract, it did not add anything. The Quality Control manager of this ministry obviously did not have the faintest idea but nevertheless had the power to force rigid and useless standards upon projects.

A project is always a means to come to changes. That always makes a project unique. The project will encounter unique and unprecedented circumstances. In that case it would be very strange to control the project with rigid rules and procedures. The official manual always explicitly stated that per project should be considered how PRINCE2 should be applied. PRINCE2 was never meant as a broad unambiguous detailed standard but as a flexible concept, a number of principles accompanied by a number of handy lessons, suggestions and ideas.

Unfortunately PRINCE2 was hijacked years ago by the IT industry. IT can really not apply the principles described here (until the 2009 version of PRINCE2 these principles were implicit). The approach therefore got the reputation of a procedural approach for IT staff by IT staff, easy to implement through some simple courses and the rigid introduction of a number of templates. Form over contents, resulting in a lack of interest of the people who can really benefit: line management from the "business".

PRINCE2 – a way of thinking that delivers value

Prevent failure and enable timely corrective action

An experienced person will be able to predict failure very early on. I once predicted before the start of an eighteen months project when and how the project would get into large problems. Already after three months into the project my predictions turned out to be remarkably accurate. Afterwards my predictions were used as a basis for the evaluation of the project.

Obviously it is not important to apply PRINCE2 properly; it is important that projects deliver more value at lower cost. But again and again it turns out that problems in projects coincide with the absence of the PRINCE2 principles.

But on paper it is all so obvious but still we can not improve our practice. What else is required?

But not by the (internal) supplier!

In many organisations PRINCE2 is implemented in the wrong departments (IT) and by the wrong people (IT staff) with the wrong background. The same IT staff who specialised in the past in an IT-maintenance and support approach (ITIL), unfortunately often deliver the PRINCE2 expertise (or what is supposed to go for that). Not just will these people play down a number of principles as not pragmatic (read: we don't understand and it is not convenient to us). Also maintenance and support require a completely different culture than change. Where maintenance and support seeks efficiency, and stability, projects will seek effectiveness, improvement and change. Especially because of the power of ITIL consultants in The Netherlands and abroad in many organisations PRINCE2 has become an ineffective, bureaucratic and procedural trick on a far too low level.

Real implementation of PRINCE2 requires courage. It should be about cultural change involving the attack on old deeply engrained habits. This will only be credible if there is a deep understanding and knowledge. At a very early stage consequences such as behaviour should be recognised that are seen as standard but that in fact are ineffective. From my own experience I know however that many organisations and their people yearn for another approach that encourages clarity, clear roles and a sense of purpose.

An enormous improvement of projects and the motivation of people can be reached using the PRINCE2 principles. Again, it requires courage. By the organisation but also by the coaches and trainers. Obviously by capable coaches and trainers!

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Op mijn Website zijn de volgende documenten over PRINCE2® en MSP™ te vinden:

➢ PRINCE2 in een notendop; de essentie van PRINCE2 in slecht vijf pagina's

➢ PRINCE2 Principes; worden de principes wel toegepast? Wat veroorzaakt de ineffectiviteit van PINO?

➢ PRINCE2 en MSP in relatie tot elkaar en andere methodes en aanpakken, zoals ITIL, PMBoK en Agile methodes. Raakvlakken en vooral culturele verschillen.

➢ PRINCE2 (niet) voor leveranciers; waarom PRINCE2 niet voor leveranciers bedoeld is en hoe zij dit model misschien toch kunnen toepassen

➢ Hoe voer je een methode als PRINCE2 in? Overwegingen, valkuilen en praktijkvoorbeelden

➢ PRINCE2 Life Cycle; hoe de Business Case zich ontwikkelt gedurende een project

➢ PRINCE2 Procesmodel; wat is de *process flow* en wie is verantwoordelijk voor welke processen?

➢ PRINCE2 tijdens Stages; een overzicht van PRINCE2 processen die tijdens Stages gebruikt worden

➢ Special: SPEER - ERP/SAP programma bij Defensie

➢ Special: Commissie Elias, ICT Projecten en cultuur

http://www.viergever.info/nl/downloads.aspx

On the topics of PRINCE2® and MSP™, the following documents are available on my Website.

➢ PRINCE2 in a nutshell; the essence of PRINCE2 is only five pages

➢ PRINCE2 Principles; are the 7 principles applied? What causes the ineffectiveness of PINO?

➢ PRINCE2 (not) for suppliers; why PRINCE2 is not aimed at suppliers and how they can possibly use the model

➢ Programmes and Projects; how do projects and programmes relate and interface? What is MSP and how to use MSP in combination with PRINCE2.

➢ How to implement a method such as PRINCE2? Considerations, pitfalls and examples

➢ PRINCE2 Lifecycle; the product life span versus the project life cycle

➢ PRINCE2 Process Model; shows the *process flow* and who is responsible for what processes

➢ PRINCE2 during Stages; details of the PRINCE2 processes used during Management Stages

➢ Method Integration; can ICT development approaches such as RUP, SCRUM, Agile, etc, really be combined with PRINCE2 (and MSP)?

➢ PRINCE2 and SLA; how does PRINCE2 cope with service level agreements and with support (ITIL) after the project?

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