

PRINCE2® Life Cycle Overview

Change through projects

Ideas for change

A project enables change from an existing, but no longer wanted situation to a new required situation. According to PRINCE2® for this reason the project delivers new and/or changed products resulting in added value by using them.

In this view a project will be started by an idea for a new or changed product. This idea will be expressed in a Mandate, the assignment to plan and execute the project.

Starting Up

In reality not all ideas are good or well thought through idea. Before work can start, the assignment will be analysed; the Mandate will be developed into a Project Brief. It is important to critically review the goal, the added value... Maybe the project is not such a good idea after all. An outline of the Business Case will be prepared as part of the Brief.

Also the main roles and responsibilities will be determined with emphasis on the op de Project Board:

- Who will be ultimately accountable for the success of the project? The Executive of the project.
- Who will represent and take decisions on behalf of the future users and will take accountability for the realisation of the added value? The Senior User(s).
- Who will represent and take decisions on behalf of the supplier(s) to assess the feasibility of the plans and to guarantee the quality of the delivery? The Senior Supplier(s).

The Project Manager, also appointed during the start up, will do most of the work. If possible, Team Managers will be appointed.

Project initiation

Based on the Knowledge that is now available, the Project Manager will now be the responsible for further defining and planning the project. Most probably a team of experts with respect to content and technical aspects will be necessary. This team will be assigned by the Project Board on basis of an Initiation Stage Plan.

The totality of the definition of the project is called the PID: in version 2005 the Project Initiation Document. In version rightly renamed 2009 as the Project Initiation Documentation.



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Execution of the plans: work and delivery

Because of risks and a limited planning horizon often it will not be wise or even impossible to plan the work completely in detail. This is why the work will be executed in Management Stages. This will enable the Project Board to regularly evaluate and to review the feasibility of the project. If necessary the project will be redirected or even stopped.

The project will be planned on a high level in the project plan. Per Stage there will be a detailed plan which will be input to adjusted versions of the project plan to reflect the current status.

Closure

When the project comes to an end (finished or prematurely terminated), it is important to evaluate what has happened compared to the original plans and to pass on lessons. Also loose ends should be passed on.

It is all about the Business Case!

Contents of the Business Case

It is important to objectively assess whether a project is useful and necessary. In PRINCE2® this is called the Business Case. The heart of the Business Case is a balance of expected benefits, expected cost of the project and expected operational cost. In some organisations a full Business Case is demanded as a part of the Mandate, before any work is executed. This is however obviously not realistic because only after analysis and planning there will be an assessment of the expected cost of the project. Also the analysis of the expected benefits and expected operational cost will require an effort.

Because at this stage it is all about expectations, the Business Case will contain risks that should properly be looked at.

Also not every that is useful and necessary, will be possible. An assessment of the required (financial) resources will therefore also be part of the Business Case.

Time is often an important issue. When will money be spent, when will benefits be realised?

Negative Business Case

Not every project is about benefits. Many projects are mandatory or are aimed at mitigating risks. These projects also have a Business Case, by PRINCE2® seen as a “negative” Business Case because the focus will not be on benefits.

Hearts and Minds

PRINCE2® has limited the scope to the hard, process side of project management. This is also the case in the description of the Business Case, being about “hard” figures.

With change it is important to also consider the emotional side. A proper Business Case should not just win Minds but also Hearts!

The Business Case is a life document

During a project, circumstances change; both internal and external to the project. This will have consequences for (the validity of) the Business Case. It is therefore common sense to update the Business Case and to regularly review. When a Business Case is no longer valid, the project will be stopped.

Two Business Cases

PRINCE2® assumes that a project has a customer and an (interne) supplier with opposite interests. This will be obvious in case of a commercial relationship the cost of the customer will be the turnover for the supplier. In case of an internal supplier this is often underestimated, leading to politics and power struggles.

From the recognition of the opposite interests PRINCE2® suggests that the project manager comes from the customer side. If this is not possible, PRINCE2® suggests an external project manager, independent of the (internal) supplier.

One of the advantages is that the project manager will maintain a focus on Business products of and for the user, while a supplier's project manager will often focus on technical products of and by the supplier. This is a common reason for the failure of many "IT projects" with an "IT project manager".

To measure is to know.

It is a waste of time, a paper tiger, when the outcomes of a Business Case are not reviewed: the realised benefits (and operational cost). Lessons can be learned for the assessment of future projects.

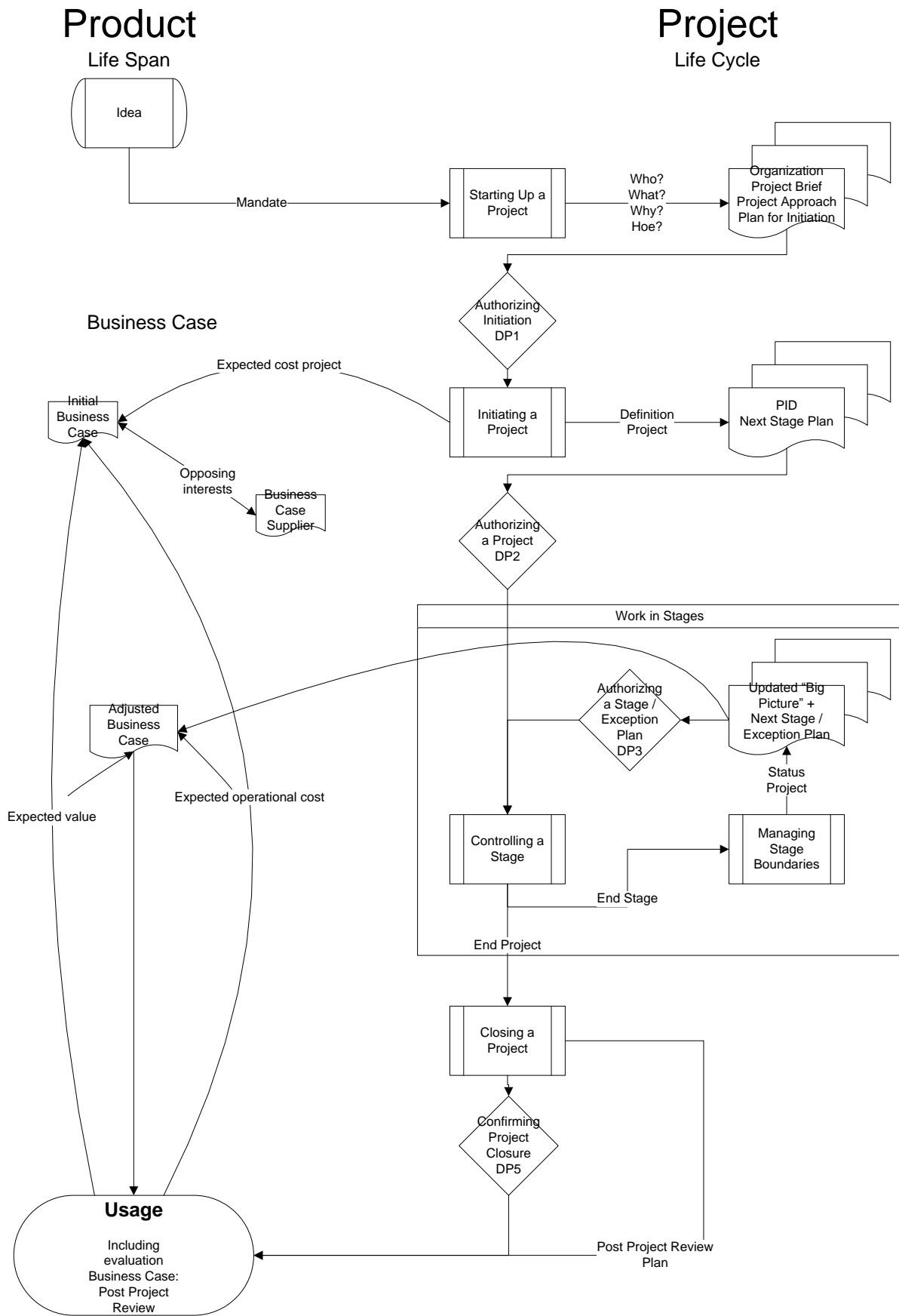
The PRINCE2® 2005 approach

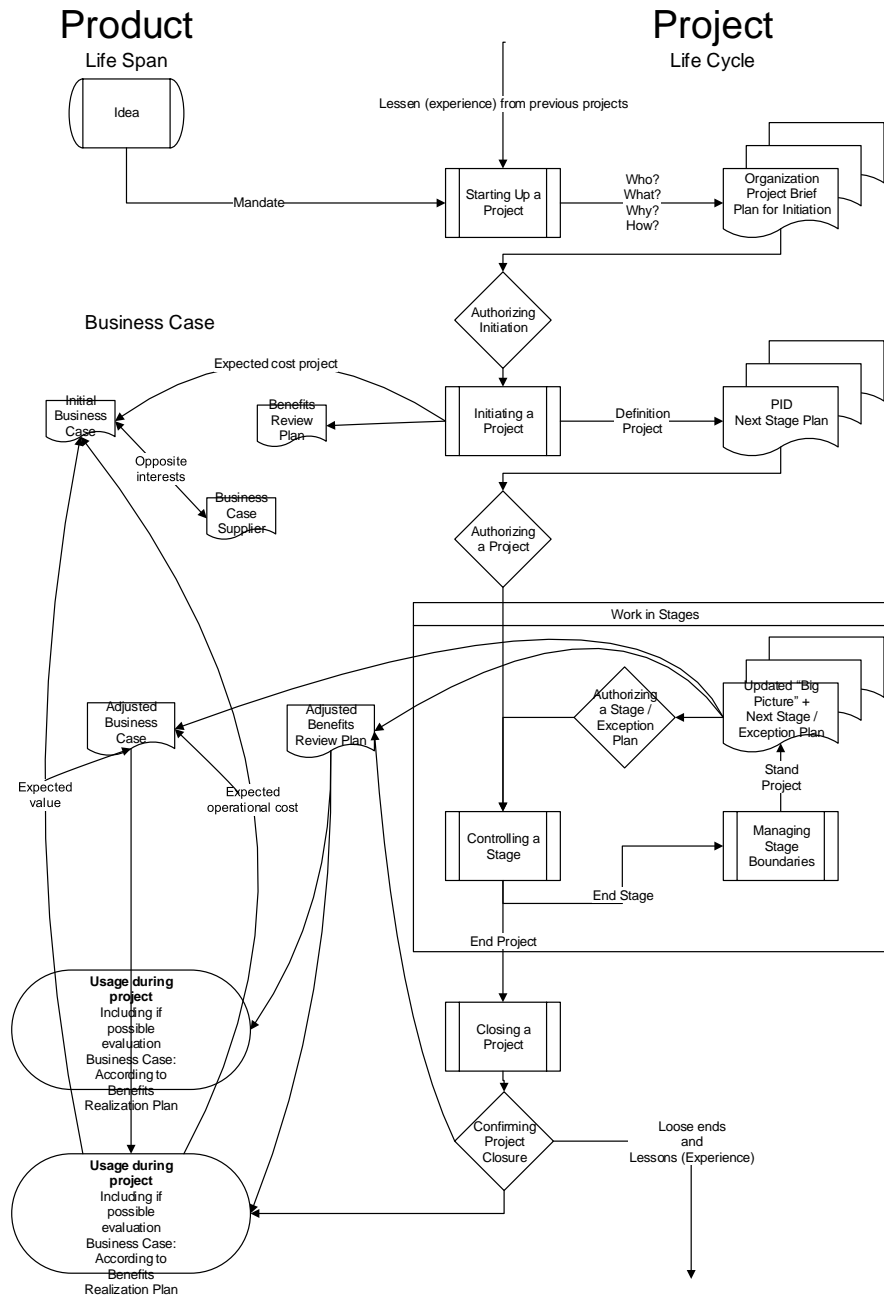
At the end of the project, the project manager prepares the Post Project Review. The Post Project Review Plan proposes when which benefits will be measured. The Executive is accountable for the execution of this plan.

De PRINCE2® 2009 approach

In the 2009 version the justified assumption is that some products will already be used during the project to realise benefits. Therefore a plan to measure benefits will already be prepared during Initiation: the Benefits Realisation Plan. Obviously this plan will be updated along with the Business Case. A major part of the plan will be executed after the project.

PRINCE2® has taken this approach from MSP™, the approach for (strategic) programme management.







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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 Principles; 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](#)

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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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