



A simple PRINCE2® Glossary

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PRINCE2 Glossary: Explained

Introduction

The objective of this document is to help explain the PRINCE2 terms. The explanations include the text from the official PRINCE2 manual as well as additional information to clarify the definitions. This glossary can be regarded as an extended version of the glossary in the manual.

The simple PRINCE2 Glossary will enable you to learn these terms and to explain them to colleagues and friends.

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A Simple PRINCE2 Glossary

Acceptance Criteria

A prioritized list of criteria that the final product must meet before the customer will accept it. The acceptance criteria are measurable definitions of the attributes required for the final product to be acceptable to the customer.

A list of standards the final output of the project must satisfy for the customer to accept it. The list of criteria is arranged in order of importance and each entry should be discussed and confirmed both by the customer and the supplier. Unlike the customer's quality expectations, the acceptance criteria has to be specific and precise. Throughout the project, the acceptance criteria can be refined and changed, but in the end only when all the criteria are met, the project can be closed.

Baseline

Reference levels against which an entity is monitored and controlled.

A snapshot of the product that shows the status of the product at a certain point in time. A baselined product is a reminder of the original state of the product and used as a comparison against the current position. Products that have passed their quality checks and are approved are baselined products. Once a product is baselined, it becomes a touchstone of reference for the following versions of the same product. For example, if a plan is changed during a review, the new plan replaces the old one and becomes a control document (a baseline) for the future progress of the project.

Benefit

The measurable improvement resulting from an outcome perceived as an advantage by one or more stakeholders

The answer to the question, "Why are we really doing this?" Benefits are the measurable achievements the users (or stakeholders, in general) will get once the product becomes part of the business-as-usual. As most benefits tend to realize after the project is over, it is important to keep them in focus throughout the project.

Business Case

The justification for an organizational activity (project), which typically contains costs, benefits, risks and timescales, and against which continuing viability is tested.

A set of Information that describes the justification for setting up and continuing a PRINCE2 project. It contains the reasons for doing the project and explains in detail why the project should be done and why the final outcome is desired. During the project lifetime whenever there is a change in the project environment, the effects should be weighed against the Business Case to check if the benefits still exist within the expected time and cost constraints. For example, if a company is running a project to develop and implement a client management software, the Business Case should include the improved efficiency for client management so more clients could be handled within a certain period of time. On the other hand if an alternative software appears on the market before conclusion, the benefit of changing to the new software should be considered by comparing the potential outcomes to the desired benefits on the Business Case.

Communication Management Strategy

A description of the means and frequency of communication between the project and the project's stakeholders.

A description of the flow of information between the project and its stakeholders. It defines the method, frequency and content of the information exchange. The Communication Management Strategy provides an organized approach to deliver reports on a timely basis to those who need the information for decision making and/or other purposes.

Configuration Item

An entity that is subject to configuration management. The entity may be a component of a product, a product, or a set of products in a release.

A configuration item is a unique component of the product that is tracked individually for the purpose of identification and change control. Any component of the final product defined for the project is then a configuration item that is recorded and maintained.

Customer

The person or group who commissioned the work and will benefit from the end results.

The owner of the final product of the project. Representative to those who are going to use the final product.

Change Control

The procedure that ensures that all changes that may affect the project's agreed objectives are identified, assessed and either approved, rejected or deferred.

An established change control mechanism is a key element in the projects to avoid scope creep. Scope creep is when the final product becomes too bloated to develop due to the uncontrolled inclusion of changes.

Daily Log

Used to record problems/concerns that can be handled by the Project Manager informally.

The Daily Log is the personal journal of the Project Manager that is kept in relation to the activities done during the project. It is an informal record of events and actions that can be used as supporting information.

Output/Deliverable

A specialist product that is handed over to a user. Note that management products are not outputs but are created solely for the purpose of managing the project.

Project specific products that are delivered to the customer/user. Such products are also called the specialist products. In this sense management products are not considered as outputs.

End Project Report

A report given by the Project Manager to the Project Board that confirms the handover of all products and provides an updated Business Case and a project assessment.

Project Manager's report to the Project Board that confirms the delivery of outputs to the customer and assesses the project with an updated Business Case. It also includes reviews on overall project performance and team performance.

End Stage Report

A report given by the Project Manager to the Project Board at the end of each management stage of the project. This provides information about the project performance during the stage and the project status at stage end.

Project Manager's report to the Project Board that provides information on project performance during each stage and the overall project status up to that point. The Project Board uses the End Stage Report alongside the plan for the next Stage to decide whether to continue the project or not.

Executive

The single individual with overall responsibility for ensuring that a project meets its objectives and delivers the projected benefits. This individual should ensure that the project maintains its business focus, that it has clear authority, and that the work, including risks, is actively managed. The Executive is the chair of the Project Board. He or she represents the customer and is responsible for the Business Case.

The person responsible to ensure the project achieves its goals and delivers the forecasted benefits. The Executive is the chairperson of the Project Board and represents the business perspective of the Customer. He or she is also responsible for making sure the project runs within the framework of the Business Case.

Follow-on Action Recommendations

Recommended actions related to unfinished work, ongoing issues and risks, and any other activities needed to take a product to the next phase of its life. These are summarized and included in the End Stage Report (for phased handover) and End Project Report.

Follow-on Action Recommendations not only mentions the recommended actions but also who is responsible to take these actions further. These recommended actions can be anything from how to maintain and operate the product as well as what sorts of risks or existing issues may still affect the life of the product.

Highlight Report

A time-driven report from the Project Manager to the Project Board on stage progress.

A report on the stage progress, prepared regularly by the Project Manager for the Project Board. The frequency for this report is indicated in the Communication Management Strategy. It allows the Project Board to manage by exception during a stage. The report confirms that the project runs within tolerances and points out any foreseeable problems.

Issue

A relevant event that has happened, was not planned and requires management action. It can be any concern, query, request for change, suggestion or off-specification raised during a project. Project issues can be about anything to do with the project.

Any event related to the project that has already happened and requires the intervention of the higher management. An issue can be anything related to the

project. All issues can be classified into three types: A request for change, an off-specification, and a problem or a concern.

Issue Register

A register used to capture and maintain information on all of the issues that are being managed formally. The Issue Register should be monitored by the Project Manager on a regular basis.

A log that keeps track of all the existing issues and their current status. It is regularly monitored by the Project Manager.

Issue Report

A report containing the description, impact assessment and recommendations for a request for change, off-specification or a problem/concern. It is only created for those issues that need to be handled formally.

An Issue Report typically contains information how one particular issue affects the stage or the project, how deep the impact will go, what sorts of possible solutions are available to overcome this impact, what is the best solution out of these options, and the result of the decision.

Lessons Report

A report that documents any lessons that can be usefully applied to other projects. The purpose of the report is to provoke action so that the positive lessons from a project become embedded in the organization's way of working and that the organization is able to avoid the negative lessons on future projects.

The idea of keeping tracking of lessons learned involves taking action to implement these lessons and improve the progress. The Lessons Report lists and describes any lessons that may have a relevance for future projects or future stages. This helps to avoid possible mistakes and to repeat positive actions in new projects.

Management Product

A product that will be required as part of managing the project, and establishing and maintaining quality (for example, Highlight Report, End Stage Report etc.). The management products stay constant, whatever the type of project, and can be used as described, or with any relevant modifications, for all projects. There are three types of management product: baselines, records and reports.

Management Products are by-products of a project. The project is not set up to create them, but they help to manage the project so that the project can delivered the specialist outputs.

Management Stage

The section of a project that the Project Manager is managing on behalf of the Project Board at any one time, at the end of which the Project Board will wish to review progress to date, the state of the Project Plan, the Business Case and risks, and the next Stage Plan in order to decide whether to continue with the project.

Management Stages are control mechanisms for the Project Board that provide an opportunity to review the progress and decide on the future of the project. Having

management stages also ensure that the Project Board remains up-to-date about the project's progress.

PRINCE2 Principals

The guiding obligations for good project management practice that form the basis of a project being managed using PRINCE2.

The PRINCE2 principles provide good characteristics of a PRINCE2 project. Without these characteristics in place a project cannot be considered as a PRINCE2 project.

Process

A structured set of activities designed to accomplish a specific objective. A process takes one or more defined inputs and turns them into defined outputs.

PRINCE2 defines processes based on related activities. These activities result in certain management products that provide the input to other processes. A PRINCE2 process makes sure that all the principles and in turn all the themes are addressed in a PRINCE2 project.

Product

An input or output, whether tangible or intangible, that can be described in advance, created and tested. PRINCE2 has two types of products – management products and specialist products.

Anything that is going to be received as an input or produced as an output during the project. According to PRINCE2 a product can be a specialist product or a management product. Specialist products are results of technical expertise and management products are documents used solely for the purpose of communication among the project management team.

Product-based planning

A technique leading to a comprehensive plan based on creation and delivery of required outputs. The technique considers prerequisite products, quality requirements and the dependencies between products.

A technique used to create a detailed plan that focuses on the required products. The technique is based on prerequisite products, quality requirements and dependencies between products. The technique targets to define first the required products and then the necessary activities to create it.

Product Breakdown Structure

A hierarchy of all the products to be produced during a plan (during a project).

An analysis of the products defined in the plan. The plan is broken down into the its major products and these products are listed in priority according to their dependencies

Product Checklist

A list of the major products of a plan, plus key dates in their delivery.

A combination of a list of key deliverables and a simple plan. The plan is only a schedule that shows the responsible people for production and review, along with key milestones.

Product Description

A description of a product's purpose, composition, derivation and quality criteria. It is produced at planning time, as soon as possible after the need for the product is identified.

Information on the product's purpose, composition, derivation and quality criteria. A product is defined as soon as its need is identified. Specialist products as well as management products should have product descriptions.

Product Flow Diagram

A diagram showing the sequence of production and interdependencies of the products listed in a product breakdown structure.

A diagram showing the order of production and the prerequisites for each product defined in the Product Breakdown Structure. The product flow diagram is created based on the product dependencies rather than activity dependencies.

Project Assurance

The Project Board's responsibilities to assure itself that the project is being conducted correctly. The Project Board members each have a specific area of focus for Project Assurance, namely business assurance for the Executive, user assurance for the Senior User, and supplier assurance for the Senior Supplier.

The Project Board is responsible for monitoring the project's performance in the user, supplier and business areas. To achieve this the Board may decide to delegate its assurance functions to another entity to make sure the project runs smoothly.

Project Initiation Documentation

A logical set of documents that brings together the key information needed to start the project on a sound basis and that conveys the information to all concerned with the project.

A set of documents that contain essential information to start the project delivery. The Project Board reviews the Project Initiation Documentation in order to authorize the start of the project. It is also used to communicate the project to its stakeholders. The documents in the Project Initiation Documentation are subject to change throughout the project. After each change every document is baselined for future comparison.

Project lifecycle

The period from the start-up of the project to the acceptance of the project product.

The time between the start of the project and the acceptance of the product.

Project management

The planning, delegating, monitoring and control of all aspects of the project, and the motivation of those involved, to achieve the project objectives within the expected performance targets for time, cost, quality, scope, benefits and risks.

The conducting of the project by planning, delegating, monitoring and controlling all sides of the project in view of the project objectives. This includes the management of the human and nonhuman resources within the limits of cost, quality and time.

Project Management Team

Covers the entire management structure of Project Board, Project Manager, plus any Team Manager, Project Assurance and Project Support roles.

Defines the total management structure of the project from top to bottom, from the Project Board to the Team Managers and the support staff. It is a temporary structure solely established to manage the project to a successful conclusion.

Project Manager

The person given the authority and responsibility to manage the project on a day-to-day basis to deliver the required products within the constraints agreed with the Project Board.

The person appointed by the Project Board to manage the daily progress of the project to deliver the end product within the limits set by the Board.

Project Mandate

An external product generated by the authority commissioning the project that forms the trigger for Starting up a Project.

Information provided by the upper management outlining what is desired from the project. This is an external document and is used as an input for the Starting up a Project process.

Project Plan

A high-level plan showing the major products of the project, when they will be delivered and at what cost. An initial Project Plan is presented as part of the Project Initiation Document. This is revised as information on actual progress appears. It is a major control document for the Project Board to measure actual progress against expectations.

A control document for the directing level (Project Board) for measuring project progress. It shows the required products of the project, their delivery dates and costs as well as the quality objectives and how these will be achieved.

Project Product Description

A special type of Product Description used to gain agreement from the user on the project's scope and requirements, to define the customer's quality expectations, and to define the acceptance criteria for the project.

The Project Product Description is the description of the final output of the project. It includes the acceptance criteria that are going to be reviewed by the customer during final hand-over.

Quality Management Strategy

A strategy defining the quality techniques and standards to be applied, and the various responsibilities for achieving required quality levels during a project

A document that defines the high-level quality management aspects that are going to be applied in the project. This document also confirms how the quality procedures of the user and supplier sides of the project is going to be applied in the project.

Quality

The totality of features and inherent or assigned characteristics of a product, person, process, service and/or system that bears on its ability to show that it meets expectations or satisfies stated needs, requirements or specifications.

A product's ability to satisfy its intended properties by meeting expectations, requirements and specifications.

Quality Assurance

An independent check that products will be fit for purpose or meet requirements.

This is the role that checks the project management team for quality management and project management processes on behalf of the higher management.

Quality Register

A register containing summary details of all planned and completed quality activities. The Quality Register is used by the Project Manager and Project Assurance as part of reviewing progress.

The Quality Register is a log to keep track of the quality activities such as workshops, reviews, inspections, testing, etc. It is a supporting tool to help the Project Manager and the Team Manager to monitor the quality activities and results.

Quality Control

The process of monitoring specific project results to determine whether they comply with relevant standards and of identifying ways to eliminate causes of unsatisfactory performance.

Quality control is the actual set of activities to inspect the quality of the specialist products. In other words, quality control is about checking the products and not the processes for their quality.

Quality Review Technique

A quality inspection technique with defined roles and a specific structure. It is designed to assess whether a product that takes the form of a document (or similar, e.g. a presentation) is complete, adheres to standards and meets the quality criteria agreed for it in the relevant Product Description. The participants are drawn from those with the necessary competence to evaluate its fitness for purpose.

This technique is a quality method. It is a meeting to review whether a particular product is fit-for-purpose. The resulting decision makes the product ready for the approval and baselining.

Risk

An uncertain event or set of events that, should it occur, will have an effect on the achievement of objectives. A risk is measured by a combination of the probability of a perceived threat or opportunity occurring, and the magnitude of its impact on objectives.

An event that, if it occurs, may have a positive or negative effect on the project's objectives.

Risk Register

A record of identified risks relating to an initiative, including their status and history.

A log to keep track of the identified risks that the project faces.

Risk Appetite

An organization's unique attitude towards risk taking that in turn dictates the amount of risk that it considers is acceptable.

The risk appetite provides a framework for the company to determine what is acceptable or unacceptable in terms of risk-taking.

Risk Management Strategy

A strategy describing the goals of applying risk management, as well as the procedure that will be adopted, roles and responsibilities, risk tolerances, the timing of risk management interventions, the tools and techniques that will be used, and the reporting requirements.

The how-to guide specific for managing risk in a particular project. It is a project-level projection of the organization's risk management policy.

Senior Supplier

The Project Board role that provides knowledge and experience of the main disciplines involved in the production of the project's deliverables. The Senior Supplier represents the supplier interests within the project and provides supplier resources.

The Project Board role that represent the interests of those who are going to provide specialist skills and resources to delivered the desired products.

Senior User

The Project Board role accountable for ensuring that user needs are specified correctly and that the solution meets those needs.

The Project Board role that represent the future users of the project's product. The Senior User is responsible to ensure that the product satisfies the quality and functionality requirements of the user.

Theme

An aspect of project management that needs to be continually addressed, and that requires specific treatment for the PRINCE2 processes to be effective.

A theme defines a topic that needs to be addressed for effective management of any PRINCE2 project. How deeply each theme needs to be addressed is determined by the project manager based on how PRINCE2 is going to be tailored for the project.

Technical Stage

A method of grouping work together by the set of techniques used, or the products created. This results in stages covering elements such as design, build and implementation. Such stages are technical stages and are a separate concept from management stages.

There are two types of stages. In PRINCE2 a project is divided into stages to define management decision points. These are called the Management Stages. The second type, the Technical Stage, is a grouping of a certain set of techniques used in the development of the product. They are the stages where the products are produced through specialist skills and resources.

Tolerance

The permissible deviation above and below a plan's target for time and cost without escalating the deviation to the next level of management. There may also be tolerance levels for quality, scope, benefit and risk. Tolerance is applied at project, stage and team levels.

Tolerances are acceptable deviations from targets. It is the foremost tool to be used for monitoring and control as well as to avoid micro-management. Working within tolerances minimizes the need for Project Board interventions.

Stakeholder

Any individual, group or organization that can affect, be affected by, or perceive itself to be affected by, an initiative (programme, project, activity, risk).

The primary stakeholders are represented in the project management team. In fact, the chief representatives of these primary stakeholder are the decision-makers of the project (Project Board).

User

The person or group who will use one or more of the project's products.

The end users of the project's final deliverable.