

**Quality Projects**

**People  
in  
PRINCE2**

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## Setting the Scene

*Heard the one about the top executive who had a successful project? His people brought it in perfectly on the original budget and schedule, and the delivered system exceeded the business benefits expected from it. Along the way there were no crises and the whole thing was boringly routine. On top of that, the new system once in service was reliable, and both easy and inexpensive to maintain and enhance.*

Tall story, eh? Unfortunately, yes. Projects don't always work out like that. Why not? We invest heavily in training our project managers. What's going wrong?

What's going wrong is that successful projects unfortunately require quite a lot more enabling conditions than merely good project managers. Even the most blindingly competent, gifted and experienced project manager is hard put to deliver a successful outcome in the situations we usually create for them. And the more average practitioner stands no chance at all — hence our corporate landscape littered with the carcasses of failed, abandoned and aborted projects.

Experience suggests the following Critical Success Factors:

### **We need:**

- *Project definitions* that are coherent, reasonable and credible and reflect similarly realistic expectations on the part of corporate and senior management.

*Top managers have to achieve a difficult balance between, on the one hand, setting challenging targets (being easily satisfied is not part of the job description) and, on the other, allowing themselves to have expectations that cannot possibly be fulfilled.*

- *Corporate and senior management* who understand the importance and realities of governance in project success, and play their own parts effectively.

*Project managers do not manage their projects in isolation. They do so within a framework of governance that ultimately determines whether the project fails or whether it has a chance of success. For example, it is the governance of the project that either makes available the planned resource, or fails to do so. Without the necessary resources, even the best of project managers cannot usually deliver a successful outcome. Unsatisfactory governance appears to be a more common cause of project failure than poor project management.*

- *Corporate and senior management* that are prepared to listen to their specialists, and then set and moderate their expectations in the light of what those specialists tell them can be done in the time and with the resources available.

*Anyone who ignores specialist advice, in whatever field, runs risk. Top managers have a difficult task (see note above), because they need to evaluate the pessimism or optimism that is built in to the specialist's opinion.*

- *A project working environment* that supports and facilitates good practice in project management and project execution.

*To bring out the best performance in a project manager of any given competence and experience, he or she needs a suitable, supportive environment. Once compromises and improvisations are required, good practice is likely to be an early casualty.*

- *A user community* that understands its role in project success, is committed to it and is managed in a way that accords the commitment the necessary priority.

*A project is undertaken to deliver an outcome that can be used (by someone) to achieve business benefits. Early and full participation by the 'someone' has been recognised to be a vital ingredient. Otherwise, who will ensure that the outcome is actually capable of being used to achieve the business benefits? The 'user', after all, is going to have to*

*deliver the benefits; it will not be the project team's responsibility.*

*The user community will, in the normal course of things, have a 'day job' to do whilst the new facility is under development. There is therefore likely to become a clash of priorities: choose between doing the day job, and participating in the development facility. User management faces difficult choices.*

- *Adequate resources* of all necessary sorts (including especially time, budget and people with specialist skills) to meet the aspirations of corporate and senior management.

*The necessary conditions of project success include:*

*project managers (supported as necessary by specialists) of sufficient judgement and experience to formulate plans (and especially resource estimates) that, when executed, will deliver the required outcome, and*

*an appropriate supply of resources (including plant, people with specialist skills and experience, budget and time) to execute those plans.*

Successful projects are delivered by competent project teams led by competent (and preferably experienced) project managers. Although the project manager's training, competence and experience is a necessary ingredient of success, without a competent and experienced team behind him, it alone is not a sufficient condition for success.

We need to understand and implement all these elements, **from the top of the enterprise downwards**, if we seriously want our 'tall story' to lose its point. This document will aid that understanding.

We can make successful project delivery routine — but only by recognising project delivery for the team game that it truly is.

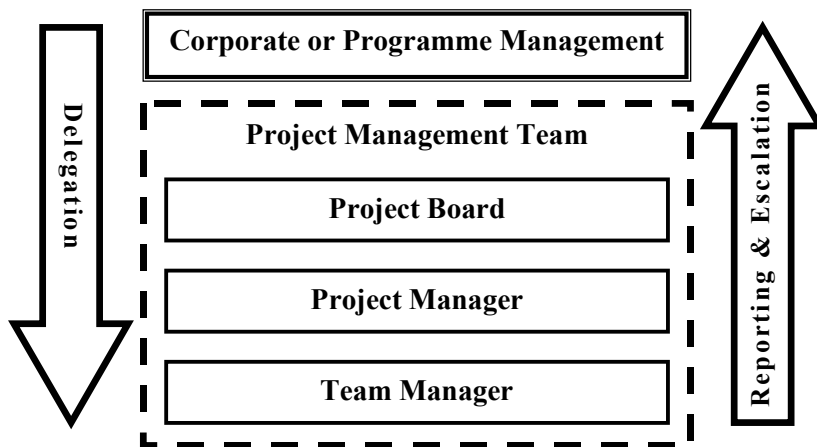
David Watson

## Introduction

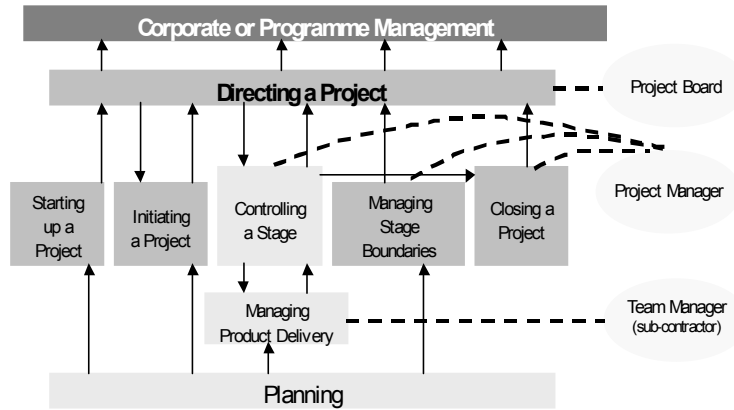
PRINCE2 is the leading project management methodology widely recognised as the de facto standard in the UK and internationally.

The ORGANISATION COMPONENT in PRINCE2 — supported by detailed descriptions of the responsibilities of each member of the Project Management Team — is based on the premise that establishing an effective organisational structure for the project is crucial to its success. Every project has need for direction, management, control and communication. PRINCE2 offers an approach that provides these elements and is sufficiently flexible to be mapped to any environment. The approach is based on a hierarchical *Process Model* and corresponding *Four Layer Management Model*.

The *Four Layer Management Model* is deliberately made flexible, to accommodate the needs of different project environments and sizes. To achieve this, each layer is defined as a set of **roles**, each of which (subject to some limitations) can be allocated to one person, shared by several people or combined — according to the project's needs.



**Figure 1:** PRINCE2 Four Layer Management Model

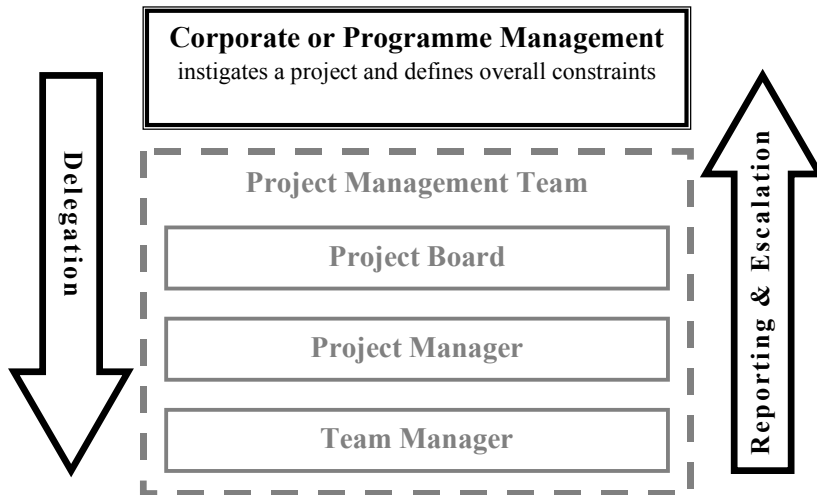


**Figure 2:** PRINCE2 Process Model linked to Roles

Much, but not all, of what each member of the *Project Management Team* does during the course of a project is defined in the 45 “lower level processes” of the PRINCE2 *Process Model*, see Appendix 1.

This document examines some of the “**real-life issues**” affecting those who have to undertake the PRINCE2 Roles. Use the questions in Appendix 2 to obtain a simple assessment of the health of your projects as perceived by the role holders.

## Part1: Corporate or Programme Management



## Introduction

This part looks at the somewhat mysterious *Corporate or Programme Management* that sits above the PRINCE2 Project Management Team. The term *Corporate or Programme Management* represents a set of one or more **Business Roles**, with specific project-related responsibilities that are hinted at within PRINCE2. To understand these roles, that are focused on the **governance** of the project — and the “PRINCE2 connection” — we first need to look inside the business environment.

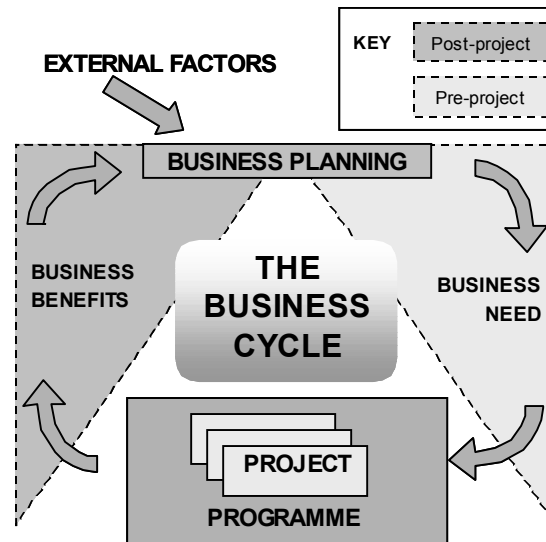
## The Business Environment

### The Business Cycle

The Business Cycle, illustrated in Figure 3, is applicable to any business environment, at any level within the organisation. We can see that the responsibilities of *Corporate or Programme Management* can be considered in three categories: *pre*, *during*, and *post - project* responsibilities.

A project may be:

- a) a local affair, affecting one section or department
- b) implementation of a major investment decision
- c) part of the organisation’s strategy
- d) part of a much larger programme, involving major organisational and/or operational change.



**Figure 3:** The Business Cycle

The scope and significance of the *Corporate or Programme Management* activity will vary accordingly, and it is one of the tasks of this level of management to make a careful assessment of the situation and put in place the appropriate arrangements.

The key decision here is to determine whether a *Corporate* or a *Programme Management* arrangement is appropriate. Projects of type a) and b) above will almost certainly be subject to *Corporate Management*. Projects of type c) may fall into either camp depending on what other projects are closely inter-related in the realisation of the strategy. Projects of type d) are clearly the subject of *Programme Management*. In some cases a combination of *Corporate and Programme Management* may be appropriate.

It is beyond the scope of this document to define the differences between projects and programmes, but some general indicators are given below.

	<b>Project</b>	<b>Programme</b>
<b>Objectives</b>	tend to focus on a single objective	multiple objectives, stemming from strategic considerations
<b>Organisational Change</b>	localised	potentially wide ranging
<b>Benefits Realisation</b>	following completion of a <i>project</i>	continuously through the life of a <i>programme</i>
<b>Timescale</b>	well defined	more open-ended
<b>Change of Scope</b>	treated as an exception in a <i>project</i>	a natural occurrence in a <i>programme</i>

This part concentrates on the **requirements** for *Programme Management* and *Corporate Management*, which are essentially the same, being concerned with **governance** of the project. The differences lie in the way that each is implemented, and it is worth noting that with the increasing importance of *Programme Management* as a vehicle for business change arrangements or “methodologies” for this type of operation are covered in detail in a growing number of publications.

### **Pre-project Activities**

According to the type of enterprise, individuals or groups/committees carry out the activity of Business Planning — formally or informally. Where a Programme is already in existence the forum in question may well be the Programme Executive (or whatever it is termed locally). In other cases a Project Selection Board, or similar, may operate. In each case the objective is to identify appropriate projects to fulfil one or more

specified, and carefully argued, business needs, and to assign business level “ownership”. The business level owner is often known as the “project sponsor” (although sometimes that term is used to describe some aspect of the role of Project Executive; we shall use “Sponsor” in this document to mean the business level owner).

How far this pre-project activity is taken before it comes into the domain of Project Management cannot be prescribed and PRINCE2 allows for a degree of ambiguity here, in the scope of the first process — *Starting-up a Project (SU)*, which it deems to be pre-project activity. Failing to have the appropriate arrangements in place can lead to inappropriate projects being selected, or ill-formed projects being put forward into the *SU* process. In either case valuable resource will be wasted and/or other business opportunities may be missed.

At the very least it is advisable for *Corporate or Programme Management* to know precisely why the proposed project is to be undertaken and for this to be clearly documented in the form of an outline Business Case (part of the Project Mandate). Factors that may be taken into account in the Business Planning activity include:

- likely degradation of existing services
- equipment is nearing the end of its useful life
- parts of the business are asking for new facilities to support current or projected workloads
- new business opportunities
- opportunities provided by new technology
- potential for cost savings
- organisational or location changes that alter facilities requirements
- new legislation
- competitor performance

The resultant project(s) may be categorised according to their significance to the business, e.g.:

- **R&D or technology testing/proving**, where a budget is allowed for new ideas to be tried out in a “safe environment” without any affect on the running of the business today
- **Business Support**, where, e.g. new systems are being put in place to achieve specific performance gains; in this case achieving the required “quality” is paramount
- **Business Strategic**, where there is often a “time window” to be achieved and “time” may be the most important project parameter
- **Key Operational**, where the end result is a cut-over to new way of working (e.g. from “traditional” to e-commerce) and there is “no way back”

The categorisation will help in determining the management arrangements and appointees for project roles.

Whether a project should take place at this time, or at all, is a key decision. It may be helpful to evaluate the potential benefits of the project in isolation, in comparison to alternative courses of action (including “do nothing”), and in the light of other current or planned project activity, before making a firm decision.

### **The PRINCE2 Connection**

Guidance in PRINCE2 for pre-project activities is provided through the SU process, *Starting-up a Project*, designed to ensure that the prerequisites for initiating the project are in place. PRINCE2 states that “The Process should be very short”, but its length will depend on what has been achieved by *Corporate or Programme Management* before commencing the SU process. The Process expects the existence of a Project Mandate that defines, as a minimum, in high-level terms the reason for the project and what Outcome is sought. It should indicate the general type of project, its size and complexity, and its political and business sensitivity since this information will assist in identifying candidates for Project Board Executive and Project Manager roles.

The first process within SU is *Appointing a Project Board Executive and a Project Manager*. For a small “localised” project the person in *Corporate Management* who is the “Sponsor” may well take on the role of Executive. The decision will be strongly influenced by an estimate of the time needed to fulfil the role and the availability of the individual. For projects of larger scope and significance the Sponsor is well advised to delegate the Executive role to another person, who would have more time available. It is the Sponsor’s responsibility to ensure that the nominee has the skills and knowledge required to undertake the role and has the financial and functional authority necessary to support the project adequately (this will include negotiation of *Project Tolerance* that determines the degree to which the Sponsor permits the Executive to get on with the job). If the project is part of a programme, the Programme Director will appoint the Executive and may influence the appointment of the Project Manager as well (in this case the Programme Director, or his nominee on the Programme Executive, is the de-facto Sponsor).

We can expect some involvement of the Sponsor in subsequent processes within SU, for *Designing a Project Management Team* and *Appointing a Project Management Team* — especially in respect of the other Project Board roles.

We can also expect some involvement of the Sponsor in the process of *Preparing the Project Brief*, especially where only the minimum of information on the Business Case and allied topics is provided in the Project Mandate. This is less likely in the case of a project within a Programme, because the Project Brief should have been available and approved before the commencement of the SU process.

And finally, we can expect some involvement of the Sponsor in the process of *Authorising Initiation*. This is the final act in project selection, and other than in the case of a project within a Programme, there is still the opportunity to re-evaluate the viability of the proposed project. At the very least, PRINCE2 requires that “Project Start-up Notification” is passed to *Corporate or Programme Management* and so it is reasonable to expect that some evaluation and response would be forthcoming.

## During the Project Activities

There are key events in the life of a project when the Project Board makes significant decisions regarding the future scope and direction of the project. In theory the Board (Executive) need only involve the Sponsor when it forecasts that *Project Tolerance* will be exceeded. In practice the Sponsor may wish a closer degree of involvement in order to ensure a “no surprises” regime. This will have been established in the Executive’s Terms of Reference when he/she was appointed, and may be updated at the end of Project Initiation.

### The PRINCE2 Connection — Initiating a Project

There is no explicit mention of *Corporate or Programme Management* involvement in the *Initiating a Project* process. However, we ought to expect some involvement of the Sponsor in the process of *Refining the Business Case and Risks*. This would be appropriate where recent external events may have affected the validity of the Business Case or in the light of the extra, detailed, information generated as a result of planning the project, particularly any pertinent business risks. A prudent Executive might seek to involve the Sponsor at this point, or the Sponsor may have mandated it during the authorisation of project initiation.

We can also expect some involvement of the Sponsor in the process of *Authorising a Project*. At the very least, PRINCE2 requires that the approved Project Initiation Document is passed to *Corporate or Programme Management* and so it is reasonable to expect that some evaluation and response would be forthcoming.

### The PRINCE2 Connection — During and at the End of a Stage

PRINCE2 requires that the Project Board keeps *Corporate or Programme* informed about project progress routinely.

If at any time (e.g. when an exception occurs or at Stage End) the forecast is for the project to deviate beyond its *Tolerance*, the Project Board must refer the matter upwards.

Equally, we may expect that the Sponsor will inform the Executive of any changes to the business environment that may cause a change to the

Business Case or otherwise affect the viability of the project. In all of these cases it is reasonable to expect that there will be dialogue between Sponsor and Executive and not merely the passing of information.

### **The PRINCE2 Connection — Confirming Project Closure**

The Project Board may wish to formally close a project either because it has completed successfully or because it has become non-viable and is to be “closed prematurely”.

From the Sponsor’s perspective the key questions on which assurance is required before “permission” to close is given, are:

- In the case of premature closure, have relevant follow-on actions been identified and it is clear to whom they should be directed (it will normally be the Sponsor’s responsibility to place these actions accordingly)
- Is there formal acceptance from the Customer that the Acceptance Criteria set down at the outset have been met adequately
- Have any changes that have not been implemented been directed to an appropriate authority for attention
- Is there a plan in place for verifying that the project has produced the desired benefits

In all of these cases it is reasonable to expect that there will be dialogue between Sponsor and Executive and not merely the passing of information.

### **Post-Project Activities**

The Sponsor’s responsibility is to ensure that the plan for verifying benefits realisation is enacted and the results are fed into the Business Planning activities

### **Summary**

The term *Corporate or Programme Management* covers a range of Business roles that must be fulfilled correctly, regardless of whether the

project is “corporate” or part of a Programme, if a project is indeed to operate in a “controlled environment”. These roles equate to Business Level project sponsorship.

However, the involvement of *Corporate or Programme Management* may not be as “hands-off” as a casual interpretation of PRINCE2 implies. During pre-project and ongoing project activities there is a necessity for continuous dialogue between *Corporate or Programme Management* and the Project Executive. Where this is the case it will be easier for both parties if the Executive appoints a competent person to carry out his Project Assurance functions (i.e. the Business Assurance role).

As will be illustrated in the following parts, the *Project Assurance* role is a vital element in the practicalities of making the PRINCE2 philosophy of “Management by Exception” actually work within a project. The related topic of *Programme Assurance* that follows the principles embodied in the PRINCE2 concept of *Project Assurance* (see page 19) is beyond the scope of this document. The interested reader is referred to *Managing Successful Programmes*, published by OGC, ISBN 0113300166

## Part 2: The Project Board and Project Assurance



## Introduction

This part discusses the nature of the roles that make up the *Project Board* and *Project Assurance*.

The *Project Board* acts on behalf of the customer's *Corporate or Programme Management* to provide overall direction and management of the project.

## The Project Board in Context

### Customer-Supplier Partnership

Any venture involving more than one party carries inherent risk if the different needs and interests of each party are not clearly understood from the outset, and arrangements made to enhance the likelihood of a “win-win” outcome. The Project Board concept is designed for this reason — to be the basis for creating a mutually beneficial relationship between customer and supplier, where problems and risks can be shared in atmosphere of trust. This concept is applicable regardless of contractual arrangements between the parties or whether or not the supplier is “in-house”.

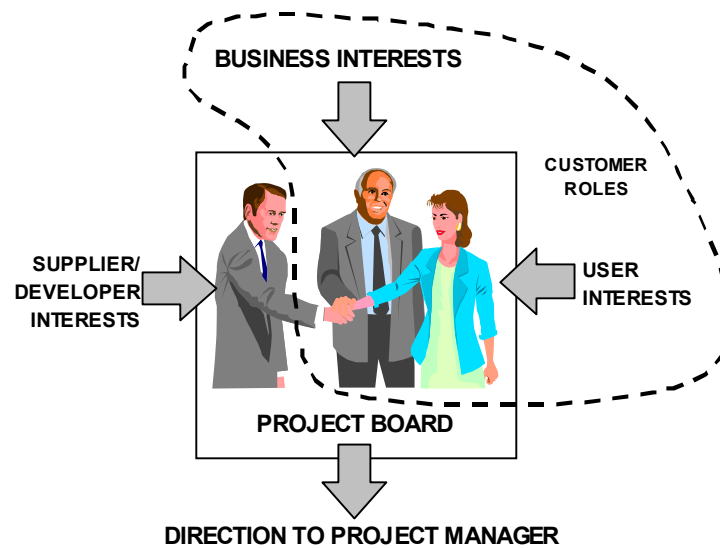
Ideally, the customer takes the lead in creating a Project Board, inviting the key supplier(s) to participate wholeheartedly. However, we frequently see the initiative being taken from the supply side where they see the benefits of operating in a structured project management environment, such as that provided by PRINCE2. At best a “supplier project board” may be created, but this falls well short of what PRINCE2 intends. A discussion on the full implications of this “supply-side” led project is beyond the scope of this document. However, we can state confidently: *“if the customer abdicates his responsibilities for creating and operating a Project Board then most of the joint benefits of adopting PRINCE2, summarised below, will not be realised”*.

### Summary of Benefits to Customer and Supplier of adopting PRINCE2

- Clear definition of what is expected of each party
- A basis for common understanding and agreement
- Integrated plans (nothing falls through the cracks)
- Common approach to quality, focused on deliverables
- Integrated risk management: a basis for agreeing and sharing risk
- Contractual arrangements reinforce the “partnership” not hinder it

### Three Interests

The composition of the Project Board is shown in Figure 4. The three interests must be represented on the Project Board at all times.



**Figure 4:** Three Interests Represented on the Project Board

**Business Interests — The Executive Role**

There are two over-riding **success criteria** for a project:

- The product(s) of the project must deliver the required business benefits (set out in the Business Case).
- The project should give value for money.

Representation from the **business viewpoint** is essential to ensure that focus on these two criteria exists before commitment to the project is made, and remains in existence throughout the project. PRINCE2 makes a distinction between the interests of the business and the interests of those who will use the final product(s). **The Executive role**, which cannot be shared between individuals, is defined to look after the business interests (remember that the *Project Sponsor* appoints the person to perform this role). The role holder is the de facto Chairman of the Board, responsible for ensuring that it behaves appropriately at all times. This means that decisions are made in a timely and professional manner, always focused on the two objectives, above, providing clear “one voice” direction to the Project Manager.

**User Interests — The Senior User Role**

Inevitably there will be people within the business:

- who will use the end result to deliver benefits to the business
- who will be impacted by the Outcome

The User presence is needed to specify the desired Outcome — involving those persons identified above — and to ensure that the project delivers it. User management must therefore be represented on the Project Board. The one or more persons that are appointed to the **Senior User** role might be “self-selecting” or they will be “invited” onto the Board by the Executive.

**Supplier Interests — The Senior Supplier Role**

The creation of the end products will need resources with certain specialist skills. It may be necessary to use both in-house and external teams of such specialists. Thus, the suppliers’ commitment to the

project has a critical effect on its success. The Senior Supplier Role is provided so that the supplier(s) can be represented, by senior management, within the decision making forum that directs the project (i.e. the Project Board).

## Definitions

Terms that are used below are defined, for the purposes of this document, as follows.

**Accountability:** *Having to answer to a higher authority for one's conduct or performance.*

**Accountabilities:** *specific aspects on which one will be held accountable.*

**Responsibility:** *Having obligations or duty of care to subordinates.*

**Responsibilities:** *specific aspects for which one is responsible.*

The context in which these terms are used is shown in Figure 5.

## Accountabilities

The Project Board has a collective accountability for the success of the project. That means ensuring that the success criteria, above, are achieved. However, the **Executive** has the ultimate accountability.

Throughout the project, the Executive “owns” the Business Case and is expected to recommend that the project is terminated at any time that it becomes clear that the Business Case cannot be achieved.

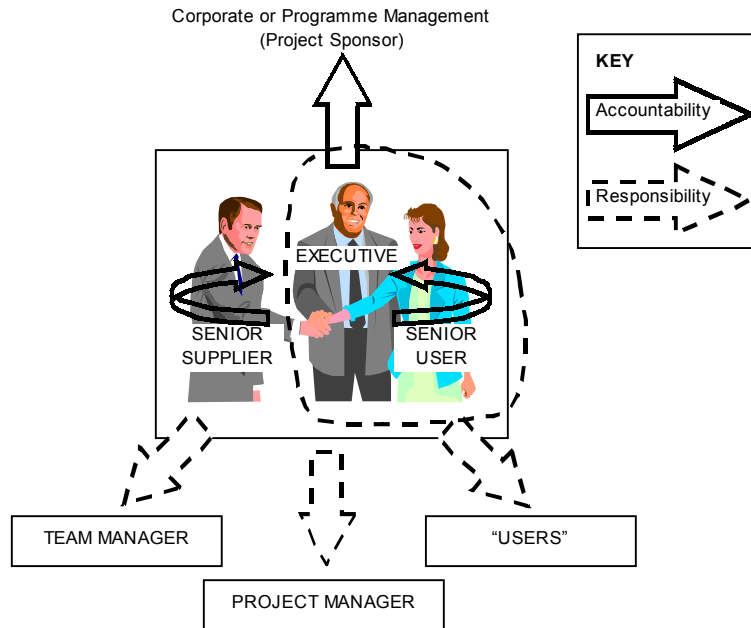
The other members of the Board are individually accountable to the Executive for different aspects of the project.

**The Senior User** is accountable for:

- the acceptability of the delivered products by the people who will use them within the business, either directly or indirectly
- the timely provision of “experts” — from within the business areas that will be affected by the final outcome of the project — as called for in the project plans (e.g. to produce or review specifications, be

involved in evaluation of prototypes, participate in acceptance testing, attend training courses)

- ensuring that facilities are available for use by specialists, as called for in the project plans (e.g. for installation activities).



**Figure 5:** Accountability and Responsibility of the Project Board

**The Senior Supplier** is accountable for:

- the timely provision of specialists (including Team Managers), as called for in the project plans
- the quality of products delivered by the specialists

## Project Assurance

The Board members will normally be senior managers in their own organisation (because of the authority levels necessary to achieve the accountabilities). Therefore, the Project Board roles will normally be

fulfilled on a part time basis. The Board “*manages by exception*” (see below) and in order to be effective the Board members must “*know what they need to know*” and feel totally comfortable (i.e. **assured**) that nothing is hidden from them. A high degree of trust in the Project Manager goes a long way towards providing that assurance, but the Board may feel that that is not sufficient, and in any case there may be matters on which assurance is required that are outside of the Project Manager’s remit.

The key question for each member of the Board is, “*Do I have the time and the necessary skills to devote to this role so that I will always feel totally comfortable?*” If the answer is anything other than an unqualified “yes” then there is a clear case for **delegated project assurance**, based on the perception of each Board member about which aspects of the project and its environment he/she feels uncomfortable.

The Board member can never escape the accountability for assurance. Thus the delegated authority must be carefully defined and agreed with each Project Assurance role holder. PRINCE2 provides a list of possible aspects to be assured and that serves well as a preliminary (but not exhaustive) checklist to help each member make the correct decisions.

The (delegated) Project Assurance role is defined to be “non-executive” but should be defined to be pro-active, wherever possible. This requires the role holder to anticipate problems and work with people within and outside of the project as necessary to prevent problems from occurring, causing intervention of the appropriate Board member when necessary. Provision of an “*early warning system*” would seem a natural part of the role definition.

The Change Authority in PRINCE2 — “*A group to which the Project Board may delegate responsibility for the consideration and approval of Requests for Change*” — can be considered as a special form of delegated Project Assurance.

There is a potential for continuous dialogue between *Corporate or Programme Management* and the Executive, who may find delegated Project Assurance invaluable in keeping this communication channel working effectively. In this context, the role of *Programme Assurance* becomes clearer. Just as Project Assurance provides an independent

pathway between the project and the Project Board, so Programme Assurance provides a similar function for the Programme Board (Executive).

## Responsibilities

All of the responsibilities discussed below can be facilitated by use of delegated project assurance.

### To the Project Manager

The Board has a clear duty to “let the Project Manager manage” without undue interference (see *Management by Exception*, below). There is an equally vital duty towards the Project Manager: **“to be there for him”**. Time is the enemy of the Project Manager — he has sufficient to do to ensure that *“this is not the project that got dangerously behind schedule, just one day at a time”* without having to chase the Executive/Board for decisions and direction. So, it is incumbent on the Executive to ensure that proper arrangements are in place at all times that will give the Project Manager a *“fast track”* to the appropriate decision maker or source of guidance whenever he needs it. In addition the Board is responsible for providing the Project Manager with the *“tools to do the job”*, (e.g. equipment, accommodation, transport, finance) — when he needs them, where he needs them.

### To the Team Managers

In most respects the Senior Supplier’s responsibility to “his” Team Manager mirrors that of the Executive to the Project Manager. The Senior Supplier is responsible for ensuring that the Team Manager is properly consulted before plans or changes that affect him are signed off by the Board — and then for making sure that the specialists are available in accordance with the plan, together with the necessary *“tools to do the job”*. The Senior Supplier is also responsible for keeping open a *“fast track”* communication channel for the Team Manager.

### **To the “Users”**

The Senior User(s) have responsibilities to those people categorised under “*User Interests*”, above. Communication (both ways) is key to gaining acceptance of changes or disturbances that will be brought about during, or as a consequence of, the project. Sometimes there will be delicate issues to be addressed (e.g. in cases of “downsizing”, or significant changes to working practices). Other issues may be assisting in the continuation of “*business as usual*” when project demands interfere with routine work (e.g. when installation disrupts the workplace, people are required to participate in reviews or similar, or have to attend training courses).

## **Different Options for Different Scenarios**

### **Multi-headed roles**

The Senior User and Senior Supplier Roles may each be allocated to more than one person. If too many people are allocated to Board roles then the effectiveness and efficiency of the board may be seriously impaired.

If it is necessary to share the Senior User role between more than two people, to achieve proper representation of user interests, then a “User Committee” can be set up and one of their member appointed as the Board representative.

Where there are several key supply organisations, rather than many people acting in the Senior Supplier role, a prime contractor can be appointed or an internal nominee, such as a senior manager from the procurement function, can take on the role.

Whatever options are adopted the fundamental rules for accountability and responsibility remain unaltered and this consideration should be the guiding principle in setting up the appropriate arrangements.

### **Shared Roles**

Sometimes there may be a good case for allocating more than one role to one person, e.g. the same person can act as *Executive* and *Senior User*,

particularly where the business case is centred on one user function. One person holding a *Senior Supplier* role plus another role needs careful thought, to avoid conflicts of interest.

When a project is genuinely “small” and is of low business risk then we can have the ultimate case of a one person Board, e.g. for an in-department project with little or no external impact. In such a case the head of department may well fulfil all of the criteria for each board role, and will almost certainly not need to delegate any Project Assurance responsibilities.

## Management by Exception (MBE)

Effective *MBE*, which means that the Board only intervenes when necessary, relies on proper implementation of two control mechanisms:

### Tolerance

This is the degree of freedom (usually expressed in time and cost) given to the Project Manager, within which he need not escalate potential problems to the Board — and conversely **must escalate** problems that will potentially breach the given limits (defined as *exceptions*). So, negotiation of Tolerance, Stage by Stage, is a critical activity between the Board and the Project Manager: e.g. too tight a Tolerance is likely to create more interventions for the Board and a feeling by the Project Manager that he is not really empowered.

There is a “parallel” tolerance between the *Corporate or Programme Management* and the Board, for the total project.

### Stages

Key questions for the Board are:

- How do we stay in control?
- How do we limit risks?
- How can we stop the project if is going “off the rails”?

The answer is to subdivide the project into (Management) Stages, each of which is an element of the total project that the Project Manager is managing at any one time. Since the Project Manager has no remit to progress beyond the end of the current Stage the Board's "*exposure*" is limited to the approved spend for that Stage.

Board decisions are required at the end of each Stage, and unless *exceptions* occur during a Stage no other intervention is required. These end-Stage decisions determine the future of the project (as far as the end of the following Stage). The decision making process is de-facto a major "health check" for the project and if the project's health is in doubt the Board may choose to terminate it, otherwise they will approve the plans for the next Stage (including *Tolerance*) and hand control back to the Project Manager.

How to select Stages is beyond the scope of this document. The final decision lies with the Board, balancing fewer, longer, Stages and fewer interventions against the feeling of "not being in control"; e.g. a project perceived as "risky" is likely to have more, shorter, Stages — allowing the Board more opportunities to check that risks are being contained.

## Summary

A properly constituted and functioning Project Board is an essential feature of any project run under PRINCE2. Careful consideration of the Accountabilities and Responsibilities for each Board role is a great aid to achieving the "perfect" Project Board.

PRINCE2 works with checks and balances. The practicalities of the minimalist Management by Exception philosophy is balanced by the "liaison" function of Project (and Programme) Assurance.



### Part 3: The Project Manager and Project Support



## Introduction

This part focuses on what the *Project Manager* needs in order to be effective and how *Project Support* helps.

The *Project Manager* is given the authority to run the project on a day-to-day basis on behalf of the *Project Board*, within the constraints laid down by the Board.

The project management world has moved to a position where we say that **Project Management is a management and not a specialist skill**. The Project Manager could have originated from anywhere and needs only a broad-brush understanding of the specialist requirements of the project. As with the conventional “management” track, the Project Manager has left his or her specialist background behind, to focus on more difficult “management” elements.

## The Project Manager and PRINCE2

PRINCE2 states the following.

The *Project Manager* is accountable for ensuring that the project produces the required products, to the required standard of quality and within the specified constraints of time and cost. The *Project Manager* is also responsible for the project producing a result that is capable of achieving the benefits defined in the Project Initiation Document

In order to fulfil these expectations, the *Project Manager* must:

- focus attention on delivery of the products or outcomes of the current stage
- focus the resources used during the stage towards this end
- keep the risks under control
- keep the Business Case under review and advise the Board if the viability of the project comes into doubt
- carefully monitor, and correct, any movement away from the direction and products agreed at the start of each stage to avoid “scope creep” and loss of focus.

Many elements of PRINCE2 are designed to aid the Project Manager:

- The **Organisation Component**, within which the *Project Manager* role is clearly defined together with the interfaces to the other roles
- **Tolerance** that gives the Project Manager the flexibility to act on his own initiative, and lets him manage without undue interference
- The **Project Board** that has clear responsibilities to the Project Manager, discussed in the previous part and summarised below:

The Board has a vital duty towards the Project Manager: **“to be there for him”**. The Executive must ensure that proper arrangements are in place at all times that will give the Project Manager a *“fast track”* to the appropriate decision maker or source of guidance whenever he needs it. In addition the Board is responsible for providing the Project Manager with the *“tools to do the job”*.

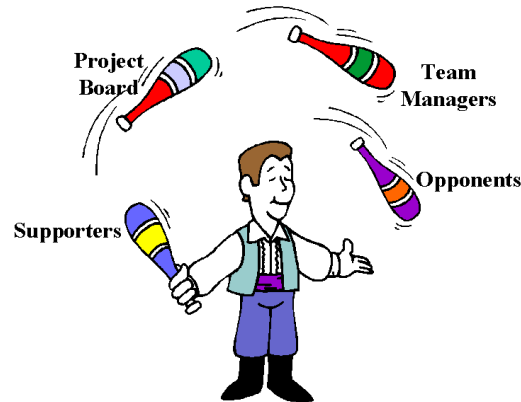
- Clearly defined **Processes** that define the scope of the activities to be undertaken solely by the Project Manager
- The **Start-up and Initiation processes** which get him involved at the earliest, formative, phases of the project and starts the building of the relationship with the Executive
- **Project Support** that can relieve the Project Manager of a whole range of administrative, report drafting and liaison tasks.

So, PRINCE2 provides an excellent enabling environment for the successful Project Manager, but what about the “real-world environment in which a project has to exist — and what can the individual do for him/herself?

## The Project Environment

By definition, a project exists in a transient environment that has to be created, managed and phased-out within the lifetime of the project, see Figure 6. This environment is very likely to be outside of the “permanent” line/functional structure and thus is deprived of many of the “comforts” associated with the latter.

So, the Project Manager often has to negotiate for resources that are taken for granted within the line organisation. In addition, the Project Manager cannot rely on the authority that goes with a line management role to get people to do things for the project. This problem may be exacerbated if the Project Manager has no formal role in the appraisal/performance evaluation process for people working on the project. In short, the Project Manager may be handicapped by a perception that he/she does not have a stable “power base”.



**Figure 6:** The Project Manager’s Environment

Clearly, the host organisation can reduce some of these pressures by elevating the status of Project Managers, giving them a formal role in the appraisal/performance evaluation process for staff that work on their projects and creating some “project-focused infrastructure”, such as a Project Support Office. Nevertheless, the lack of a well honed “working protocol” with other managers in the organisation will always put the Project Manager at a disadvantage (e.g. he/she may be short on “favours” to be called in).

## The Successful Project Manager

Conventional wisdom suggests that the successful Project Manager needs the following attributes in order to get the best from subordinates:

- Results Orientated

- Excellent Communicator
- Team Builder
- Excellent Motivator
- Decisive — but not hasty.

But, there is more needed to survive and thrive in the environment described above. Successful Project Managers are those who know that some very real challenges arise from sources such as:

- Less than wholehearted support from other managers, whose agendas may be quite different to that of the Project Manager
- Ambiguous lines of authority
- Unfulfilled resource commitments

Given the lack of a power base from which to operate the Project Manager has to rely on his/her abilities as an *influencer*. This in turn relies on spending time to find out who are the key, explicit and implicit, stakeholders in the project and what influence they can bring to bear. To some this may sound like “politicking”, but this does not necessarily have sinister overtones — it is about finding those with a vested interest and the means of getting things done, and harnessing their efforts for the good of the project and its business case. We might regard this as the Project Manager behaving in a politically sensible manner.

Being politically sensible means first of all, being aware that in any situation where change is being brought about (i.e. a project) there will be managers and others in the organisation who perceive a threat and others who perceive an advantage to be gained. Those who perceive a threat are unlikely to be “supporters” of the project and where such people are in a position to frustrate the project they will probably do just that whenever the opportunity arises. On the other hand those who perceive that they have something to gain may be natural supporters of the project.

It will almost certainly be necessary for the Project Manager to influence both the *supporters* and *opponents* for the benefit of the project, so *negotiating skills* come high on the list of key attributes. Further, since it would seem inevitable that where there are *supporters* and *opponents*

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there will be conflict, so the successful Project Manager will want to develop his/her skills in *conflict management and resolution*. Seeking win-win outcomes should be high on the Project Manager's agenda.

The only natural ally of the Project Manager is the *Project Board*, and especially the *Executive*. In theory at least, they sink or swim together! It has already been noted that PRINCE2 provides early opportunities for the "bonding" to begin, but the wise Project Manager will give serious thought to how best to "manage upwards" and not assume that he/she will get the necessary support automatically.

"Managing upwards" may seem like a contradiction in terms, but in reality the wise Executive will value highly any constructive help and support especially if it comes from one close to the coal face and in whom he has a high degree of trust. Being aware of the needs of, and pressures on, the Executive (and other Board members) and creating a sense of shared priorities is the key to building this trust and enhancing the chances of the Board following the Project Manager's recommendations at all times.

The natural communication skills of the Project Manager are obviously essential in dealing with the Board (early warning of everything, and no surprises). In addition, the Project Manager must be able to disagree with the Board when appropriate, so the negotiating skills already mentioned are also of paramount importance.

Establishing a close working relationship with people fulfilling the delegated Project Assurance roles will be a key enabler to "managing upwards".

## **Project Support**

**The Project Manager's role is to manage the work, not to do it.** The Project Manager must avoid becoming involved in low-level detail to the extent that sight is lost of the "big picture". The *Project Support* role is defined in PRINCE2 to relieve the Project Manager of those essential detailed tasks.

The following tasks carried out by Project Support are particularly valuable to the Project Manager:

**Administrative**

- administration of change control/maintenance of issue log/impact analysis
- collect actuals, data and forecasts
- prepare and update plans
- assist with the compilation of reports
- configuration librarian duties
- maintenance of risk log
- monitoring of risk plans and the points for triggering the plans
- resource planning and scheduling

**Advice**

- specialist knowledge (e.g. PRINCE2, estimating, risk management)
- specialist tool expertise (for example, planning and control, risk analysis)
- co-ordination, correct and efficient use of PRINCE2 standards
- satisfying information requests (e.g. from Project Assurance and Programme Management)

An area that can cause particular concern for the Project Manager is co-ordination between Team Managers. During the course of a project Team Managers will be interdependent on each other and *Project Support* can play a vital role in anticipating and trying to smooth “interface problems”, and providing the Project Manager with early warning of potential problems.

Project Support may be provided through a centralised, well-resourced, Project Support Office or by designated (full or part time) resources. In the latter case the Project Manager must ensure that he has adequate and competent resource available. In either case it is incumbent on the Project Manager to establish a constructive working relationship from the outset. Experienced project support personnel may be able to offer

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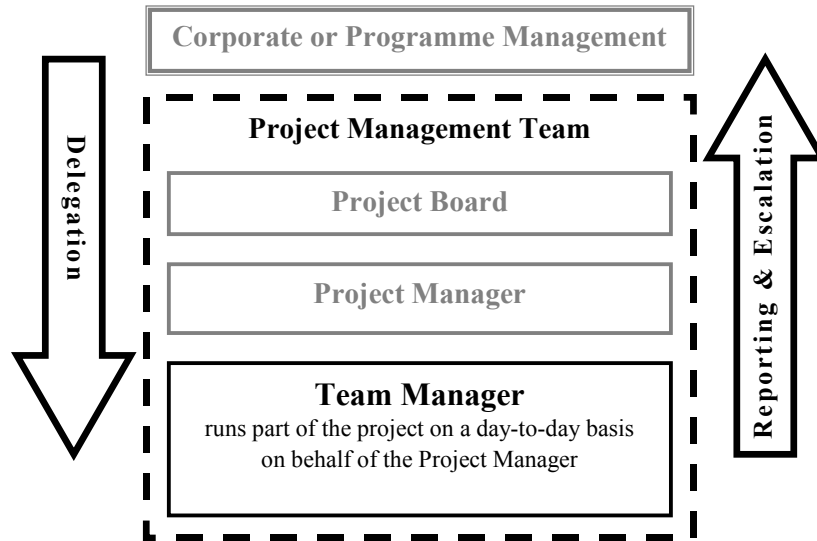
invaluable advice to the Project Manager, so time taken to listen and understand what is on offer will be time well spent.

The successful Project Manager will want to establish a good working relationship with project support personnel at the earliest opportunity. The key is to remember that in using these personnel the Project Manager is **delegating** some authority, but is not giving up responsibility and accountability. So, agreement on clear terms of reference and working procedures is essential — points which are easily overlooked when there are plenty of other problems to be getting on with! Again, good communication and negotiation skills will serve the Project Manager well, especially where the project support personnel are already experienced and think that they may know better than the Project Manager!

### Summary

PRINCE2 — if implemented properly — provides an excellent enabling environment for the Project Manager. However, to be effective in that environment the Project Manager needs highly attuned, communication, negotiation and “political” skills in addition to the more commonly appreciated “soft skills”.

## Part 4: The Team Manager



## Introduction

This part focuses on the *Team Manager* role. The *Team Manager's* prime responsibility is to ensure production of those products defined by the *Project Manager* to an appropriate quality in a timescale and at a cost acceptable to the *Project Board*

## The Team Manager and PRINCE2

According to PRINCE2, the use of the Team Manager role is optional. It suggests that the decision is made by the Project Manager on the basis of delegating tasks that might otherwise distract him from being in control of “the big picture”. We might say that, whereas the Project Manager has the “big picture” specialist view — being able to translate the customer’s functional requirements into a specialist specification — it is the Team Managers who have to take this big picture and turn it into the details of who does what, and who is best suited for which task. If separate Team Managers are not appointed then the *Managing Product Delivery* process — that involves direct control over the specialist, or technical, resources — is carried out by the Project Manager.

The “no Team Manager” option is probably not practical except for small, self contained projects, and in reality the decision on the appropriate team structure will not be one for the project Manager alone — or maybe not even involve him! The decision on the use and management of specialist resources is made in the *Start-up* process (SU2: *Design of the Project Management Team*) and is strongly influenced by the scope and nature of two key management documents — the *Project Brief* and the *Project Approach*.

## Supply Side Role

In this part we focus on the Team Manager role as a self contained, **supply-side role** — concerned with a lot more than the mechanics of the *Managing Product Delivery* process. The Team Manager may be the only member of the Project Management Team who has any “real” specialist skills (it may well be that he/she has “risen through the ranks” in the Supplier organisation, and comes from the specialist side of the

business). Certainly, it is within his/her team that the various specialist skills are concentrated.

To understand the significance of the Team Manager role we need to look at the anatomy of a project and its division into “sub-projects”. This is not a term used explicitly within PRINCE2, but one that sums up the scope of the Team Manager role — *“having the delegated authority, and responsibility, for planning the creation of certain products, and managing a team of specialists to produce those products”*.

The focus of the Team Manager role is defined in the name of the one high-level process that the role performs within PRINCE2 — *Managing Product Delivery*. So, **each** Team Manager manages the delivery of a discrete sub-set of the total project products, and hence between them they are responsible for delivering **all** of the project’s products, see Figure 7.

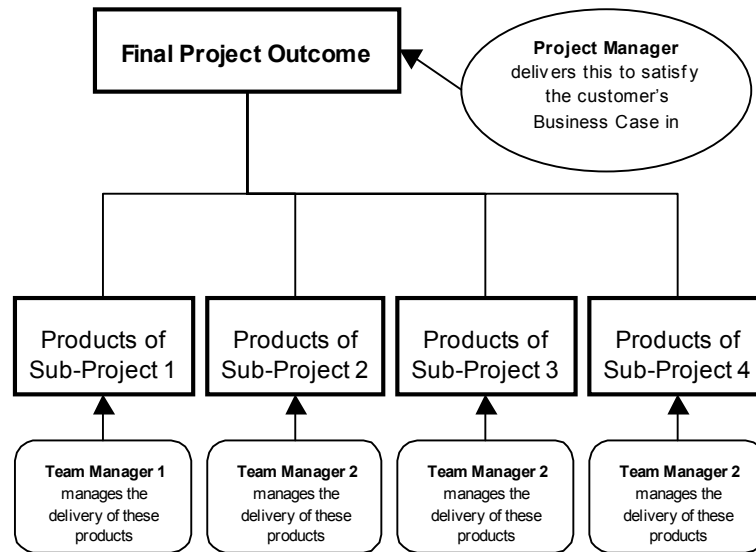
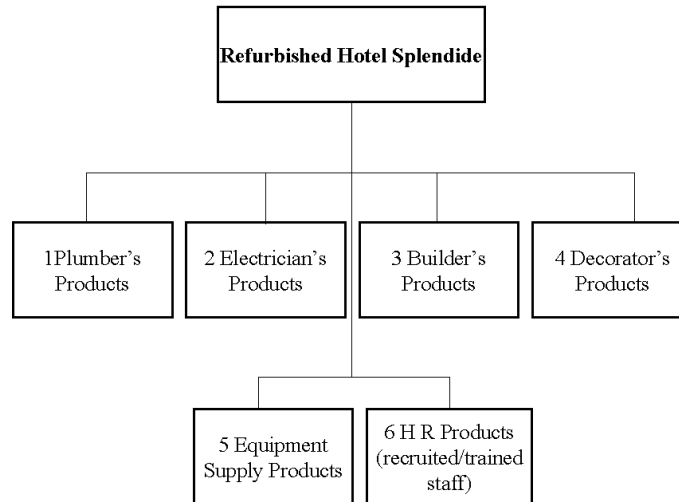


Figure 7: Sub-Projects

This model applies whether a sub-project is managed by an external sub-contractor or by an in-house function/department (there are other possible variations on this theme, including the use of “prime contractors” and the use of matrix management — but the principles are always the same).

A simple example will illustrate this: the management of an hotel set up a project for its refurbishment. They identify six distinct specialist/skill areas, leading to the following structure, Figure 8.



**Figure 8:** Product Breakdown Structure

In this example Teams 1 to 4 might be externally sub-contracted (maybe under one “prime contract”) and teams 5 to 6 managed by hotel staff.

### The Supplier’s View

So far we have restricted ourselves to the PRINCE2 (*customer-side*) view of the Team Manager — a deliverer of products. A different picture emerges when viewed from the *supply-side*. It is commonplace that each, internal or external, contractor will refer to its activity as “Hotel Splendide refurbishment **project**” and they will refer to the

person holding the PRINCE2 Team Manager role as their **Project Manager**.

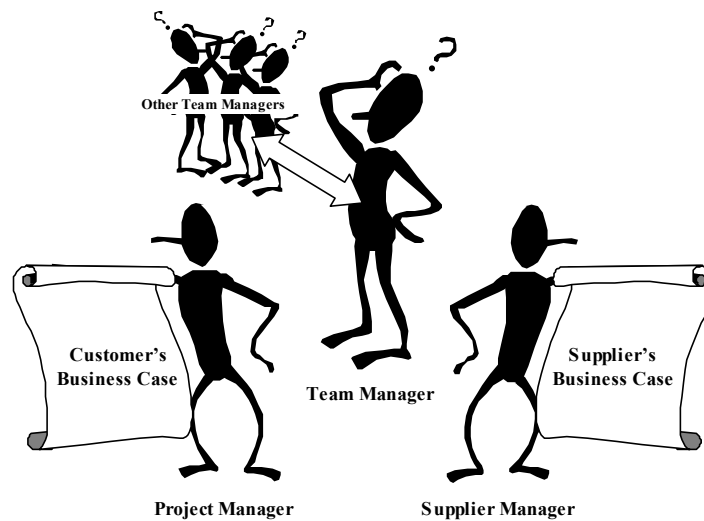
This “reverse perspective” is more than just a change in terminology — it reflects the fact that each “supplier” has its own Business Case that its management will want the Team Manager to satisfy.

A central theme in meeting a supplier’s business case is **resource usage**. (It should not be the only theme, e.g. one would hope that customer satisfaction and supplier reputation would also figure highly!) For the external supplier, resource usage will often equate to the profit anticipated from the (sub-) project, and for the internal supplier it will often equate to “staying within budget”, or husbanding resources so that other commitments can be fulfilled. So, the Team Manager role operates in the heart of a zone where potential conflicts of interest arise — where the customer’s business case and the suppliers’ business cases meet.

The Team Manager must expect to be pulled in opposite directions (see Figure 9).

And, of course, there will be the inevitable interactions and interdependencies with other Team Managers. They will be under similar pressures and “our” Team Manager will need to be continually alert to ensure that he/she will not be let down, by late or “poor quality” products from other teams, or surprised by unexpected demands from them.

Therefore, in addition to “merely” managing his specialist/technical resources (PRINCE2 process MP2, “*Executing a Work Package*”), a Team Manager will need to exercise most, if not all, of the skills required by a Project Manager — as discussed in Part 3.



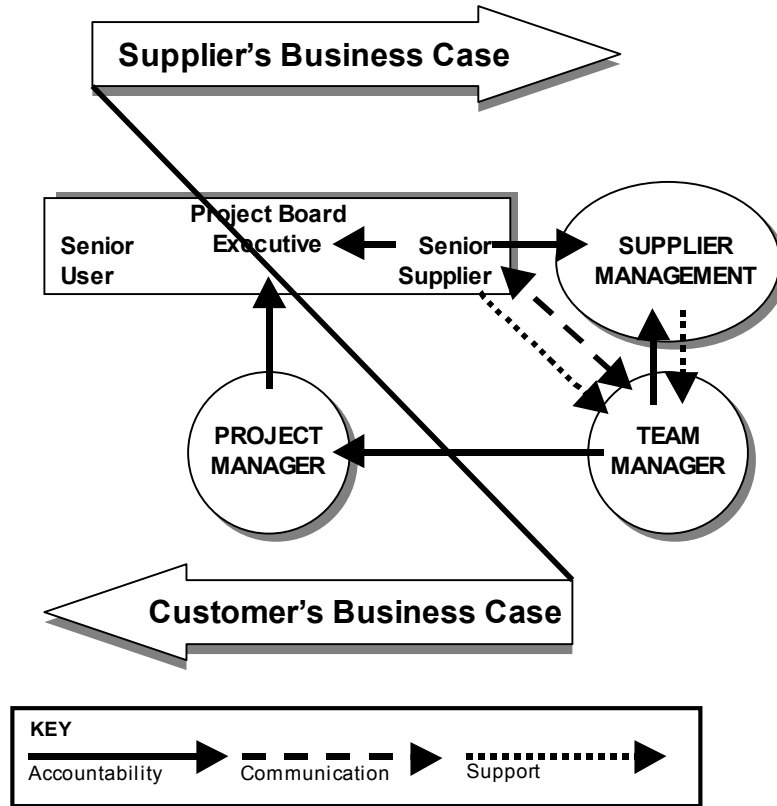
**Figure 9:** The Team Manager's Environment

### Relationship with Senior Supplier

The scope of PRINCE2 does not extend to organisational issues within the supplier organisation — although in practice we often see, internal and external, suppliers adopting the principles of PRINCE2 more wholeheartedly than many customer organisations do!

From the Team Manager's perspective the other key role in the PRINCE2 organisational model is the *Senior Supplier* (plus any delegated *Project Assurance*) — see Part 2 for a discussion of the responsibilities of the Senior Supplier towards the Team Manager. Conversely, there may be problems in store for the Team Manager who does not have a corresponding Senior Supplier on the (customer's) Project Board. In practice it may not be quite so black and white and other "safe arrangements" may exist, e.g. where the particular supplier is contracted through a prime contractor. Discussion of the range of possibilities is beyond the scope of this document. However, the wise

Team Manager may wish to discuss with his/her own management how he/she will otherwise be “protected” and supported if the Senior Supplier role is not formally implemented, especially where there may be a conflict between the Supplier’s Business Case and the Customer’s Business Case.



**Figure 10:** Insulating the Team Manager from Conflicting Business Cases

In short, we can say that a “proper” implementation of the Senior Supplier role, including delegated *Project Assurance*, should provide the protection and supportive environment that the Team Manager needs in order to do his/her job effectively and efficiently.

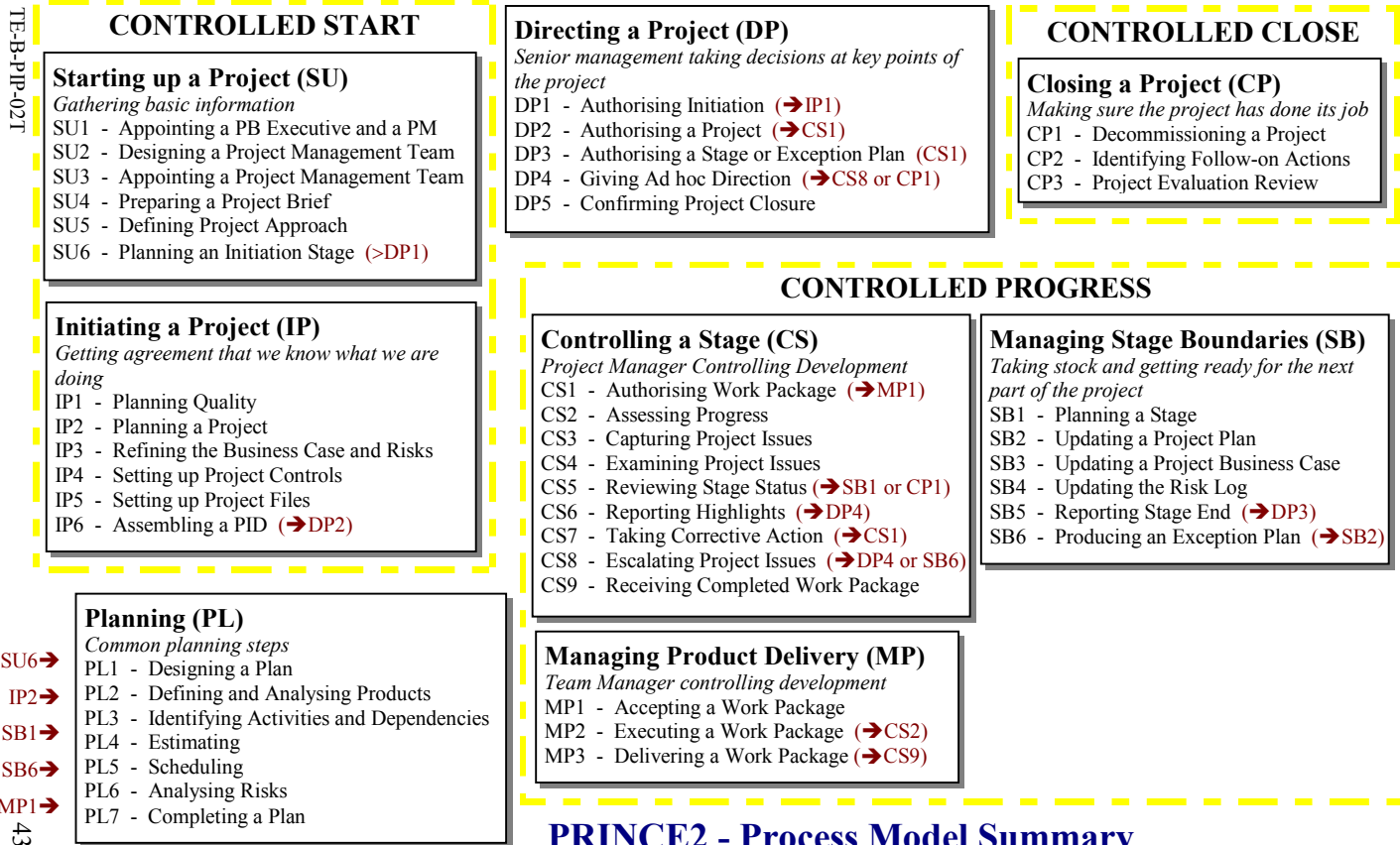
## **Work Packages**

The *Work Package* is the other key element in PRINCE2 that makes the Team Manager role tenable. The totality of work implied by a sub-project is organised into one or more (non-overlapping) Work Packages, each forming a “mini contract” between the Team Manager and the Project Manager. The scope and content of each Work Package may be drafted well in advance, but the MP1 process “*Accepting a Work Package*” provides the opportunity for the Team Manager to negotiate exactly what he/she is taking on — at the “point of engagement”. The following table gives a typical list of things for the Team Manager to consider — it is not exhaustive.

<b>WORK PACKAGE “ELEMENT”</b>	<b>ONUS ON TEAM MANAGER</b>
<p>➤ WHAT IS TO BE DELIVERED (ONE OR MORE PRODUCTS)</p>	<ol style="list-style-type: none"> <li>1. <b>AGREE</b> with the Project Manager exactly what is to be delivered (by reference to each Product Description that includes a precise, detailed, specification of the product required, plus the Quality Criteria and method)</li> <li>2. <b>UNDERSTAND</b> how, and from whom, approval for the deliverables is to be obtained, by reference to their Product Descriptions</li> <li>3. <b>UNDERSTAND</b> how the approved deliverables are to be formally handed over</li> </ol>
<p>➤ PLAN, INCLUDING REPORTING</p>	<ol style="list-style-type: none"> <li>4. <b>NEGOTIATE</b> the constraints within which the work is to be done (e.g. timescale, key dates, cost, location, techniques)</li> <li>5. <b>AGREE</b> tolerance margins for the Work Package</li> <li>6. <b>PRODUCE</b> a Team Plan which shows that the Work Package can be completed within the constraints: <ul style="list-style-type: none"> <li>• <b>PERFORM</b> risk analysis/adjust the plan</li> <li>• <b>CONFIRM</b> availability and cost of the resources with local management</li> <li>• <b>ENSURE</b> adequate cost and time allowance for the quality checking work and any rework which may be required</li> </ul> </li> <li>7. <b>CONFIRM</b> that reporting requirements are reasonable</li> <li>8. <b>CONFIRM</b> that interfacing requirements are achievable within the constraints</li> </ol>

**Summary**

PRINCE2 puts significant demands on the Team Manager. In order to fulfil these, the Team Manager needs the full support of his local management, which will be more readily available if the Senior Supplier role is properly implemented. The Team Manager will need to exercise most, if not all, of the skills required by a Project Manager (communication, negotiation and “political” skills in addition to the more commonly appreciated “soft skills”).



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SU6→  
 IP2→  
 SB1→  
 SB6→  
 MP1→  
 43

PRINCE2 - Process Model Summary



## Appendix 2 Project Management Health Check

### 1. Senior Management (ask a typical senior manager who has a current or recent interest in a company project)

*Please rate each of the following statements from 1 (not true at all) to 5 (totally true).*

We have selected the right project

The project is still relevant

I am confident that the project will be successful

I am confident that the Project Manager is properly trained and experienced for the job

I am confident that the Project Manager really understands what we expect of him and from the project

I am confident that we understand the risks, the approach to containing those risks and that these are acceptable

I am confident that we know what is going on and can stop or re-direct the project if necessary

I can get routine independent advice on the status of the project

There are appropriate Quality Control arrangements in place

I am confident in the arrangements for controlling changes

**TOTAL SCORE**(a score lower than 40 may indicate problems)




**3. Project Staff (ask anyone who has worked in a technical capacity on a company project recently)**

*Please rate each of the following statements: from 1 (not true at all) to 5 (totally true).*

I really know my part in this project (good communications, well briefed)

I feel capable of playing my part effectively (properly trained, well managed)

I am confident in the whole set up (the Project Manager, my Team Manager, the standards, technical issues, constraints)

I am confident that my contribution will be valued and my ideas and concerns listened to and acted on

**TOTAL SCORE**(a score lower than 16 may indicate problems)
