Tailoring PRINCE2 to the Project Environment
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Lesson Objectives:
• Definition of Tailoring and Embedding
• Applying the Principles, Organization’s Terms and language
• Adapting Themes, Management Products, Roles and Processes
• Projects in a Programme Environment
• Tailoring PRINCE2 to Programme Environment
• Tailoring PRINCE2 to a Simple Project
• Tailoring PRINCE2 to Commercial Customer/Supplier Environment
• Project Type-Lifecycle Models ,The Evolving Project ,The Feasibility project
• Sector Differences, Senior Responsible Owner
• OGC Gateway Review
• Project Management Bodies of Knowledge
• Example of Tailoring PRINCE2
Tailoring PRINCE2 to the Project Environment

What is Tailoring? Embedding (Relevant to Practitioner Examination)?

Tailoring is the appropriate use of PRINCE2 on any given project, ensuring that there is the correct amount of planning, control, governance and use of the processes and themes.

Embedding is the adoption of PRINCE2 across an organization. Embedding focuses on process responsibilities, establishing of standards, providing training to the employees to meet the established standards, and integration of the PRINCE2 method with the business processes, etc.

Applying the principles
- PRINCE2 principles are universal and always applicable; they are not tailored
- Practitioners adapt the PRINCE2 themes and processes to the project environment
Adapting the themes

• This does not necessarily mean modifying the method
• The environmental & project factors are incorporated into the project’s strategies & controls
• Relevant policies & standards are captured & documented in the Risk Management Strategy, Quality Management Strategy, Configuration Management Strategy and Communication Management Strategy

Applying the organization’s terms and language

• The method may need to be adapted to incorporate the terms & language of the corporate or programme organization
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Adapting the management products
• Product Description outlines are provided for those management products that require particular purpose or composition for their use by the themes and processes
• Product Descriptions may have to be modified when management products are adapted while tailoring PRINCE2.

Adapting the roles
• PRINCE2’s organization structure needs to be carefully considered for all projects
• Roles need to be adapted to match individual’s actual capability and authority

Adapting the processes
• All PRINCE2 process activities need to be done
• Depending on the adoption of roles and management products, the responsibilities for performing the activities and references to the management products may need to change.
Projects and Programmes

- Projects are temporary undertakings created to deliver one or more unique business products according to an agreed Business Case.
- Programmes are temporary flexible organizational structures created to coordinate, monitor and control the execution of a group of related projects and activities, in order to deliver outcomes and benefits, related to an organization’s strategic objectives, which cannot be achieved if the projects are managed individually.
- The following table gives the differences between projects and programmes:

<table>
<thead>
<tr>
<th>Projects</th>
<th>Programmes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by deliverables</td>
<td>Driven by vision of ‘end state’</td>
</tr>
<tr>
<td>Finite – defined start and finish</td>
<td>No pre-defined path</td>
</tr>
<tr>
<td>Bounded and scoped deliverables</td>
<td>Changes to the business capability</td>
</tr>
<tr>
<td>Delivery of product</td>
<td>Coordinated outputs delivery – includes projects not directly delivering benefits</td>
</tr>
<tr>
<td>Benefits usually realized after project closure</td>
<td>Benefits realized during the programme and afterwards</td>
</tr>
<tr>
<td>Shorter timescale</td>
<td>Longer timescale</td>
</tr>
</tbody>
</table>

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Figure 19.2, Managing Successful Projects with PRINCE2, page 218
Projects in a Programme Environment

- Projects typically change or produce something and are then disbanded
- The benefits of the undertaking are likely to accrue after project completion
- Programmes are typically used to help transform organizations
- Programme organizations tend to have a lifespan that covers the realization of benefits

Tailoring PRINCE for a Programme Environment

Business Case

- The project Business Case is aggregated into the overall programme Business Case
- It is reduced in content
- May comprise just budget details, benefits list & a statement of how the project contributes to the programme blueprint
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Organization
• OGC defines a programme board comprising of a Senior Responsible Owner (SRO), a Programme Manager, one or more Business Change Managers, representatives of corporate functions, the lead supplier and project Executives of the projects within the programme
• SRO ensures that the programme objectives are met and benefits are delivered
• Programme Manger is responsible for set up and day to day management of the programme
• The Business Change Manager is responsible for benefits definition & management

Quality
• The project’s Quality management strategy is derived from he programme’s Quality Management Strategy
• Quality assurance and control activities are carried out by members of the programme management team
• Programme’s design authority provides advice & guidance to the Project Manager on quality methods to be used
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Tailoring PRINCE for a Simple Projects

Organization
• This is the theme most affected by simple projects
• Executive and Senior User roles are often combined
• Project assurance may be carried out by the Project Board
• Project Manager carries out roles of the Team Manager
• Project Manager may also functions as Project Support

Business Case
• Some form of Business Case is required
Plans
• Product Descriptions for key deliverables
• A simple plan in the form of a schedule of who is producing, reviewing and approving products
• Key milestones

Quality
• An understanding of levels of quality required in the project

Risk
• Analysis of risks facing the project
• Actions to be taken to implement risk responses
• Communicate risk status via Checkpoint and Highlight Reports
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Change
• A simple method of controlling changes to the project and managing the configuration of the products

Progress
• Some form of agreed written or oral controls and reporting requirements

Processes
• All processes are relevant in a simple project
• Starting up a Project process can be less formal
• It should, however, not be bypassed
• Starting up a Project and Initiating a Project processes can be combined
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Management Products
• Choice & format of management products can help reduce the management effort in small projects

• Create documents that physically contain more than one management product

• Sets of documents required are the Project Initiation Documentation, Daily Log & End Project Report

• Management products not required are Stage Plan, Checkpoint Reports, Work Packages, End Stage Report & Issue Report
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Tailoring PRINCE2 for a Commercial Customer/Supplier Environment (Relevant to Practitioner Examination)
• The main consideration, here, is the recognition of there being two sets of Reasons for undertaking the project: Management systems, Governance structures & Corporate cultures

Business Case
• Presence of 2 Business Cases: Suppliers and Customers
• Both must demonstrate continuous business justification

Organization
• Key decisions are: who takes the role of Senior Supplier, Project Manager
• There are numerous ways in which the team roles can be assigned
• Key objective is to ensure that both supplier & customer maintain sound business justification
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Quality
• The Quality Management Strategy defines whether the project conforms to the suppliers’, customers’ or a combination of suppliers’ and customers’ quality management systems

Plans
• Contracts should ideally cover the whole project
• Purchase Orders & milestone payments should be aligned to each management stage

Risk
• May need more than one Risk Register
• In case of joint Risk Register, care should be taken as to whose risk it is & risk owner appointed accordingly
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Change
• Change control procedure in the Configuration Management Strategy & provisions for changes in the contract must be aligned
• Change budget, if used should be aligned to customer’s purchasing procedures & supplier’s business approval procedures

Progress
• Frequency, format & formality of reviewing & reporting need to be aligned to needs of both organizations

Processes
• Key changes will be to the Starting up and Initiating a Project processes
• Another key change is alignment of the suppliers’ business approval process with the Starting up a Project process
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Management Products
- The Project initiation Documentation should focus on how to make sure that each party’s obligations are fulfilled
- Project initiation Documentation should be part of the contract documentation

Multi-Organization Projects
- Project where more than 2 organizations are involved

Project Type – Lifecycle Models
Tailoring PRINCE2 to work with specialist lifecycle models principally involves:
- Aligning management stages to developmental life cycle
- Using tolerances to match development focus
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- Integrating specialist roles into the project management team structure
- Using PRINCE2 for the project management products

Project Type - The Evolving Project
- Projects where the specifications evolve as the project progresses
- Specifications are often contentious & open to negotiation throughout the project’s life

Project Type - The Feasibility Project
- In cases, where a feasibility study is required, the study may be considered as a separate, distinct project
- The output here is just an option
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Sector Differences

- Main difference between private and public sector projects is the nature of Business Case
- Within UK public sector, two considerations may require PRINCE2 to be tailored viz. whether the project requires an SRO and whether the project is subject to OGC

Senior Responsible Owner

- Is not a PRINCE2 defined role
- Executive reports to SRO
- SRO undertakes Executive role or appoints person to undertake Executive role
OGC Gateway Review
• Examines projects at key decision points in lifecycle
• Delivers peer-reviews

Project Management Bodies of Knowledge
• PRINCE2 should not be confused with a Body of Knowledge (BoK)
• PRINCE2 provides a framework for what needs to be done, when and by whom
• BoK provides a range of techniques of how things can be done
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Example for tailoring PRINCE2:

Bank A is a small bank having a small number of branches operating throughout the country. Although the number of branches of the bank is small, the branches are located all over the country, operating in many states of the country. Also, the places where the branches are situated are otherwise unbanked, that is, no other branch of any bank is operating in those towns and villages.

Bank B is a major bank with a large branch network weaving across the whole country. However, it has no branches operating at the places where branches of Bank A are operating.

There has been a governmental directive that no bank should go unrepresented in all the geographical regions of the country. The government has also been encouraging mergers of banks in order to have a small number of large banks operating across the length and breadth of the country.

Bank B has received a mandate to consider merger of Bank A with itself.

PRINCE2 method of project management has been decided to be followed for the project of the merger.
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- After negotiations, Bank A has agreed to merge in Bank B.
- All the necessary statutory permissions and approvals have been obtained for the project.
- A need has been felt by the Project Board not only to adhere to all the themes and processes of PRINCE2 but also to tailor PRINCE2 to suit the needs of this specific project.
- The reasons for such tailoring are as follows:
  - The work force profiles of Bank A and Bank B differ considerably in respect of educational qualifications.
  - The work cultures prevailing in the two banks are divergent.
  - The work environment as defined by the infrastructure availability and the systems and procedures followed in the two banks is dissimilar.
  - The service conditions and the conduct rules laid down in the two banks are not congruent.
  - The role of some of the top management personnel in the Bank A incurring losses continuously for 3 years.
Tailoring PRINCE2 to the Project Environment

• In order to tailor PRINCE2 to the specific requirements of the project, wide-ranging negotiations are held and an agreement is reached between the two banks to go ahead with the tailoring.

• The tailoring of PRINCE2 is proposed to take the following road-map:
  • The merger in terms of the original merger agreement document is complete with carrying out all the processes of PRINCE2 culminating in the Closing of a Project process.
  • However, as a measure of tailoring, it has been decided to add a few more management stages before the project is brought to the closure stage. One of the proposed additional stages involves a provision for arranging a period of probation for such of the Bank A workforce that does not fulfil the education qualification requirement mandated by Bank B. The duration of this management stage will be 2 years.
  • Another additional management stage is proposed to examine to what extent Bank A workforce will assimilate the work culture that is prevailing in Bank B. The duration of the stage will be 1 year.
  • The third management stage is proposed for selective absorption of some of the top management personnel at the general Manager grade and above.
The addition of these management stages has resulted in the following:

- The project timelines have changed.
- The overall project budget has to be revised upwards.
- The Business Case has undergone frequent changes.
- The project outcomes and benefits have kept fluctuating.
- Additional managers have to be appointed to manage the additional management stages proposed.
- The Project Board composition has to be enlarged to accommodate the interests of both Bank A and Bank B.
- More number of Project Assurance have to be appointed to monitor the progress of the project at every critical stage.
- More number of management products have to be prepared and sent.
- A more rigorous quality trail is necessitated.
- Tolerances for the outputs, outcomes and the benefits have to be scaled up but in keeping with the viability of the Business Case.

This is an example of how PRINCE2 is tailored to the specific needs of a project where the project has to be aligned with organizational culture and environment and where a multiplicity of organizations participate in the project.
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