

# Complementary project management medicine

**Derek Bell**, an instructor with ESI International, writes about the complementary aspects of PRINCE2™ and the Project Management Institute's **Guide to the Project Management Body of Knowledge (PMI PMBOK®)**.

This article is written for an assumed audience of senior management implementing PRINCE2™ within their organization and evaluating if they need anything in addition to maximize their effectiveness. As this assumption may not be the case, we will start with a brief introduction to the two approaches.

## PRINCE2™

PRINCE2™ stands for Projects IN Controlled Environments and is a structured project management methodology. PRINCE® was rolled out in 1989 as a UK government endeavour – under the auspices of the Central Computer and Telecommunications Agency (CCTA), which in 2001 became an integral part of the Office of Government Commerce (OGC) – to raise the standard of project management. PRINCE2™ was launched in 1996 to extend the guidance to any type of project as opposed to the IT project scope of the initial approach. It has proved to be extremely successful and is regularly updated with enhancements and modifications to the method.

Although initially focused on the UK public sector, PRINCE2™ has been taken up extensively by private organizations both in the UK and abroad, particularly in the Commonwealth, the Netherlands and with increasing impact in China.

The method is published as *Managing Successful Projects with PRINCE2*, a 457-page manual of guidance which, for successful implementation, must be 'tuned' appropriately to the organization

making use of it. PRINCE2™ does not claim to cover all aspects of project management but instead provides a framework of eight processes outlining how project management should be carried out, along with eight components that explain the key concepts of why you are doing it. In addition it describes three techniques that are particularly relevant to projects being run in a PRINCE2™ framework along with providing five appendices ranging from document outlines to specific roles and responsibilities for project management team members.

Part of PRINCE2™'s success is down to the rigorous accreditation of training organizations, trainers and practitioners carried out by the APM Group whose website ([www.prince2.org.uk](http://www.prince2.org.uk)) provides comprehensive listings of Accredited Training Organizations along with further useful information.

## PMBOK® – the Guide to the Project Management Body of Knowledge

The US founded Project Management Institute (PMI) developed the *Guide to the Project Management Body of Knowledge*. The 390-page 2004 edition is the third to be released to document the practices, tools and techniques describing the generally accepted sum of knowledge within the PMI membership.

The PMBOK® is a more generalist document in that it recognizes that life cycles and organization structures can vary massively by industry sector and organizational culture. It provides more general guidance and covers more

techniques than PRINCE2™, particularly in the areas of costs and cost control, human resources, team development, communication and procurement.

It must be stressed that as it is 'A Guide to the PMBOK®' it often references specific further external reading, whereas PRINCE2™ recognizes the importance of the elements missing from its guidance, but asks you to look elsewhere! The PMI website ([www.pmi.org](http://www.pmi.org)) provides extensive resources and information.

## Boundaries of PRINCE2

As mentioned previously, PRINCE2™ consists of processes, components, techniques and reference appendices. The processes cover how to start a project, progress the project and close the project with an overarching process describing the key decision-making of senior management and a process covering the main steps in planning.

The components that PRINCE2™ focuses upon are:

- **Business case:** This is the driving force of the project that contains the business justification for the project's existence.
- **Organization:** PRINCE2™ advises making use of a collection of clearly defined roles – each of which is described in detail within Appendix B – to manage the project. For instance the project board structure (similar to the sponsor role) has accountability for the success of the project and is made up of three roles to represent the interests of the business, the user (stakeholder) and

supplier (solution provider). The board members have project assurance accountabilities to ensure that nothing is being hidden from them, which they may delegate to others to better represent their interests. The project manager manages the day-to-day work of the project on behalf of the project board, but operating within clear tolerances.

- **Plans:** The plans component recognizes that not all projects can be planned in detail from the outset but may require outline planning at the beginning, with more detail being possible for the work that is imminent.
- **Controls:** The controls component provides a whole raft of differing controls to enable not only the time and cost expended on the project to be controlled, but also the quality, scope and risks as well. The tuning of these controls in terms of the rigour and formality of how the controls are applied are vital to avoid overkill or laxness.
- **Management of risk:** This PRINCE2™ component provides a framework concentrating on qualitative risk assessment and the importance of taking suitable actions to reduce the probability and impact of unacceptable risk.
- **Quality in a project environment:** This emphasises the need to build in quality from the outset to ensure that the quality expected by the customer is met.
- **Configuration management:** This focuses on protecting the assets of your project, ensuring that once items are approved they are baselined, to ensure that they are not modified without the appropriate authorization.
- **Change control:** Tying in with configuration management, change control assists in providing guidance to ensure that changes within are project managed. Along with the change control technique you are provided with a framework to ensure that any potential changes are assessed for their impact on the project and business case, enabling a sound management decision to be made as to whether the change should be agreed to or not.

The above components are largely reflected in the contents of the PMBOK®; however the PMBOK® can provide substantial assistance in the following:

- **Business case:** Generation of more accurate business case costings through multiple additional techniques and contract types being provided, thereby helping both business case generation and risk management.
- **Organization:** PRINCE2™ recognizes the importance of the people side of project management but says, 'look elsewhere'. The PMBOK® covers major aspects of human resource planning including the acquiring of staff through to the development of the project team and the management of the team.
- **Plans:** The plans component is supported by the planning process, however, key skills such as Critical Path Analysis and multiple estimating techniques along with scheduling techniques are provided by the PMBOK®.
- **Controls:** Tolerances are a key element within PRINCE2™, however the rigour of the earned value technique can provide tremendous benefits toward controlling both the time and cost of a project. Additional schedule and cost control tools such as variance analysis and performance measurement can be a boon to the overall control of the project.
- **Quality:** Again many additional tools and techniques are provided including process improvement, cause and effect diagrams, control charts, Pareto charts etc.
- **Management of risk:** Extends the approach to cover both qualitative and quantitative analysis of risks along with techniques such as 'decision trees' to enable better decision-making with respect to alternative courses of action to be made.

### What areas of the PMBOK® are not covered by the PRINCE2™ approach?

Apart from the items listed above, the PMBOK® has key sections of project procurement covering the planning of purchasing and acquisitions, plan contracting, requesting of seller

responses, selection of sellers, contract administration and closure. It also addresses the people side of project management, exploring the need for effective communication along with motivational skills, effective negotiation and conflict management as vital parts of managing projects.

Finally the PMBOK® acknowledges the vital part the ethical standards play along with the need for high standards of professional conduct within modern organizations.

### Summary

For organizations aiming for successful project delivery, focusing on outcomes delivering business benefits rather than desperately trying to get a project 'back on the rails', the two approaches provide huge benefits.

The complementary nature of the structured PRINCE2™ approach provides clarity, extensive sample documentation, clear roles and responsibilities. Teaming it with the PMBOK® guidance on the need for effective communication and people-related skills, financial awareness and astuteness, and additional tools and knowledge on which to build project success forms a powerful combination.

The need for professional competent project management within organizations has never been greater. The methods and guidance contained within them, available education and current levels of knowledge have never been better. It sounds like a good time to invest in the combined approach of PRINCE2™ and the PMI PMBOK® ■

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