

PRINCE2[®] principles

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Introduction

The seven principles of PRINCE2 form a central part of the [PRINCE2](#) guidance. This article explores each of the seven principles of PRINCE2.

What are the key principles of PRINCE2?

The PRINCE2 methodology establishes a foundation for project management through seven key principles ^[1]. These principles serve as the backbone of the methodology, acting as the universal language of project management, applicable to projects of any scope, size, or nature. From small in-house projects to grand international initiatives, the principles remain consistent.

The 7 principles are:

1. [Continued business justification](#)
2. [Learn from experience](#)
3. [Defined roles and responsibilities](#)
4. [Manage by stages](#)
5. [Manage by exception](#)
6. [Focus on products](#)
7. [Tailor to the project environment](#)

Decades of successful application validate these principles, showcasing their effectiveness. These principles are rooted in best practices and can be easily applied without having to devise a new project management strategy. They also provide a measure of assurance to the project management team, fostering confidence and facilitating the shaping and controlling of their projects.

When do the PRINCE2 principles get applied?

The 7 PRINCE2 principles are applied throughout the project life cycle within the [7 themes](#), and [7 processes](#) of PRINCE2.

What do students need to know about the PRINCE2 principles for the exams?

The 7 principles form a core part of all [PRINCE2 training courses](#). [PRINCE2 Foundation](#) students are required to explain each of the 7 principles during the [exam](#). [PRINCE2 Practitioner](#) students are required to analyse the application of the principles.

1. Continued Business Justification

PRINCE2 underscores that the project must maintain a consistent trajectory of desirability, viability, and achievability. If these conditions are not met, the project should be terminated.

- A 'desirable' project balances costs, benefits, and risks.
- 'Viability' pertains to the capacity to deliver the products.
- 'Achievability' pertains to the potential realisation of expected outcomes and benefits from the project's products.
- The term 'continued' emphasises that these conditions should be continuously assessed throughout the project's lifecycle.

This principle necessitates the constant revision of the business case throughout the project. A business case justifies the project, outlining the anticipated benefits in measurable terms. If external factors undermine the business case to the point where benefits are unattainable, the project should be closed prematurely. In PRINCE2, any deviation beyond the stipulated tolerances deems the business case nonviable.

PRINCE2 ensures the constant scrutiny of the project's viability. For instance, the project manager presents an updated business case to the project board at each stage end. The project board, in turn, evaluates whether the business case remains viable before green-lighting the plan for the next stage.

PRINCE2 also acknowledges diverse forms of business justification beyond financial return on investment. For instance, equipping a residential building with a water sprinkler system might not offer monetary return, but it provides undeniable societal benefits in terms of fire safety.

This principle is applied within the [PRINCE2 business case theme](#).

2. Learn from Experience

This principle encourages a proactive approach in learning from both past and current projects. It is designed to prevent the repetition of past mistakes by ensuring the project management team consistently identifies, documents, and communicates potential lessons throughout a project's life cycle.

These invaluable lessons are reported in all PRINCE2 reports so they can be reviewed and acted upon. Where necessary, the project board disseminates the acquired lessons to appropriate stakeholders within the organisation.

PRINCE2 also emphasises learning from previous projects. When starting a project, the project manager is tasked with creating a 'lessons log'. This log records essential insights and lessons gleaned from past projects, which will serve as an important resource for the current project. PRINCE2 also mandates the generation of lessons reports at the conclusion of each project stage, and these reports are a required output at the project closure phase.

Assurance auditors play a crucial role in assessing the adherence of an organization's project management approach to the PRINCE2 principles. To do so, they require substantial evidence of the organization's learning from past mistakes. They confirm the implementation of measures to evade previous errors, reflecting the commitment to continuous learning and improvement.

A Project Management Office (PMO) also plays a pivotal role in maintaining a lessons' repository. This practice ensures that the lessons and insights gained from each project are readily available for future projects across the organisation.

3. Defined Roles and Responsibilities

PRINCE2's principle of 'defined roles and responsibilities' underscores the importance of each project participant understanding their specific role and contribution to the project. By ensuring everyone knows what is expected from them, the probability of successful project delivery is increased. This clarity eradicates potential confusion about individual tasks, timelines, and responsibilities, reducing the likelihood of project problems and eliminates the habit of shifting blame when setbacks occur.

For instance, unclear leadership often leads to project derailment. By establishing distinct roles and responsibilities, the threat of project failure due to insufficient leadership is effectively minimized.

This principle necessitates a [structured project management hierarchy](#), starting with the project board at the apex, followed by the project manager, and then the team manager. This hierarchy is designed to manage the project using three distinct management levels, ensuring a smooth flow of delegation, decision-making and control from one level to the next.

This principle is applied within the [PRINCE2 organization theme](#).

4. Manage by stages

In the PRINCE2 principle of 'managing by stages,' a project is separated into distinct management stages, each demanding their own planning, monitoring, and control. Every stage necessitates its unique plan, known as a stage plan. A PRINCE2 project mandates at least two stages, commencing with the 'initiation' stage, where project planning takes place. This stage is followed by at least one additional stage that oversees the delivery of the project's specialised products.

The 'initiation' stage is crucial for establishing detailed estimates of project costs and timelines before the specialist work begins. Overlooking this stage may result in the project costing significantly more than initially estimated.

At the end of the initiation stage, the project board evaluates the project's feasibility. If the project is approved, it will undergo further assessment by the project board at the end of each subsequent management stage. Depending on each evaluation's outcome, the project board may decide to continue the project or terminate it prematurely if viability is compromised.

In PRINCE2, each management stage acts as a checkpoint for the project board, serving as an opportunity to assess whether the project remains viable and to approve the plan for the subsequent stage. A 'go' decision signifies the project board's consent for the project manager to utilise the allocated funds for the next stage, a method that is less risky than making a substantial financial decision at the project's outset. A 'no go' decision indicates the project is no longer feasible, warranting its premature closure.

These stage boundaries allow the project board to exercise control over the project in increments, simultaneously delegating routine project management tasks to the project manager.

5. Manage by exception

In this principle, tolerances are stipulated for each project objective, including time, cost, quality, scope, benefits, and risk. Additionally, the boundaries of delegated authority are outlined to determine who has the power to initiate corrective actions if tolerances are breached. All the tasks tied to the project's direction, management, and delivery must adhere to these agreed tolerance thresholds.

Regular highlight reports provide the project board with timely updates, permitting board members to engage in their own duties outside of project direction. If a tolerance threshold is predicted to be exceeded,

known in PRINCE2 terminology as an 'exception', the project board evaluates an exception report to address the situation.

At the project's initiation, corporate management determines project-level tolerances. Any alterations to these tolerances can only be authorised by the corporate management. If a project-level tolerance exception arises, the project board escalates the issue to corporate management for resolution.

When a stage plan is approved, the project board sets stage tolerances. If, during the stage, the project manager foresees these tolerances to be exceeded, they escalate the exception to the project board for a decision.

Similarly, the project manager establishes work package tolerances when authorising a team plan. Should these tolerances be forecast to be breached, a team manager alerts the project manager, who then needs to evaluate the issue and initiate corrective actions.

By delegating tolerance levels in this way, the project board 'manages by exception', meaning it only steps in when crucial decisions need to be made. This mechanism ensures efficient use of senior management time. With the 'manage by exception' principle, regular progress meetings between the project board and the project manager become unnecessary.

This principle is applied within the [PRINCE2 progress theme](#).

6. Focus on products

This principle ensures that the project team focuses on delivering products that align with the agreed quality criteria. Such deliverables facilitate the achievement of expected project outcomes, which subsequently lead to the realisation of anticipated benefits. To ensure the business justification meets stakeholders' expectations, everyone involved in the project needs to agree upon and fully comprehend the characteristics of its products. Without this consensus, the project's objective may be subjected to various interpretations, potentially leading to significant confusion, and hindering the project's progression.

Unlike other project management approaches that emphasise activity planning, PRINCE2 commences planning with the identification of products. This product-centric planning in PRINCE2 aids in mitigating the risk of scope expansion, while reducing the likelihood and potential impact of issues like acceptance disagreements and user dissatisfaction.

In PRINCE2, product descriptions are written to capture the requirements of the project's deliverables. They ensure that everyone involved in the project comprehends each product that is to be delivered. Furthermore, they allow the project team to predict the amount of work needed for each product, the necessary resources, the required activities, and the methods of testing and approval. These mutually agreed-upon product descriptions delineate the project's scope and serve as the groundwork for planning and control activities.

This principle is applied within the [PRINCE2 quality theme](#) and [plans theme](#). Applying this theme also mitigates [risk](#) on projects.

7. Tailor to suit the project

The 'tailor to suit the project' principle underscores one of PRINCE2's major strengths - its versatility. [Tailoring](#) refers to adapting PRINCE2 to fit the unique requirements of each project. PRINCE2 acknowledges the differences across projects in areas such as cultural context, geographical position, complexity, scale, and risk, and thus necessitates respective tailoring.

One example of a frequently tailored PRINCE2 element is the timing of project board meetings. PRINCE2 does not mandate these meetings, with regular highlight reports typically deemed sufficient. However, many organizations have a corporate culture that favours regular meetings. PRINCE2 can accommodate this due to its tailoring principle.

All tailoring of PRINCE2 must be documented. Such documentation allows the tailoring efforts to be audited, providing proof of adherence to both PRINCE2 and corporate guidelines.

All the [7 themes](#), [7 processes](#), [management products](#) and [roles](#) can be tailored in PRINCE2.

When tailoring PRINCE2, no aspect of the methodology should be disregarded or eliminated. Even in small projects, issues like risk, quality, and [change control](#) must still be addressed. Excessive modification could lead to a 'PINO' ('PRINCE2 In Name Only') project.

The objective of the tailoring principle is to adjust the PRINCE2 methodology to suit your project, preventing the establishment of a rigid, 'template-driven' project management approach where procedures are followed blindly. Remember, PRINCE2 emphasizes decision-making by authorized individuals based on timely information, rather than an over-reliance on documents, templates, and meetings.

References

^[1] Managing Successful Projects with PRINCE2®. AXELOS Limited. 2017. 6th ed. London. The Stationery Office. Last accessed 25/05/2023. ISBN-10:0113315333.

PRINCE2 principles FAQs

Do PRINCE2 exam contain questions about PRINCE2 principles?

Yes. For the Foundation exam 7 questions (out of 60) will be about the PRINCE2 principles. For the Practitioner exam 8 marks (out of 68) are assigned to questions about the PRINCE2 principles. So, this means that you should learn and understand about the 7 principles before sitting your [PRINCE2 exams](#).

How do you remember the 7 principles of PRINCE2?

Choose a mnemonic such as this one BLoRSEaPT, or find your own one that works best for you personally, but if this one suits you, go ahead and use it!

BLoRSEaPT - Business Learning a Role Stage Except a Product Tail", provides a distinct phrase that could be easier to remember.

Reference

^[1] Stationery Office (2017) Managing Successful Projects with PRINCE2. 6th edn. Stationery Office.

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