

# A simple PRINCE2® Glossary

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**MgmtPlaza**



## Glossary

## PRINCE2 Glossary: Explained

### Introduction

The objective of this document is to help explain the PRINCE2 terms. The glossary provided in the PRINCE2 manual is very good but can be a bit difficult to understand if you do not already have experience with PRINCE2. Therefore this glossary provides more information to explain each term and uses examples where necessary.

This will enable you not just to learn these terms but also able to explain them

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### Acceptance Criteria

A prioritized list of criteria that the final product(s) must meet before the customer will accept them; (a measurable definition of what must be done for the final product).

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

### Baseline

A snapshot; a position or situation that is recorded. A baselined product is a reminder of the original state and as a comparison against the current position. Products that have passed their quality checks and are approved are baselined products.

*A point of measure to which a product is compared. Once a product is baselined, it becomes a touchstone of reference for the following versions of the same product. For example, if a plan is changed during a review, the new plan replaces the old one and becomes a control document (a baseline) for the future progress of the project.*

### Business Case

Information that describes the justification for setting up and continuing a PRINCE2 project. It provides the reasons (and answers the question: 'Why?') for the project. An outline Business Case should be in the Project Mandate, can be updated in Project Brief and a fuller version should appear in the Project Initiation Document.

*A document that explains the reasons for the project in terms of costs, risks and benefits. It explains in detail why the project should be done, why the final outcome is desired. During the project lifetime whenever a risk appears the odds should be weighted against the Business Case to check if the benefits still exist within the expected time and cost constraints. For example, if a company is running a project to develop and implement a new client management software, the Business Case should include the improved efficiency for client management so more clients could be handled within a certain period of time. On the other hand if a new, cheaper yet as efficient software appears on the market before conclusion, the benefit of changing to the new software should be considered by comparing the potential outcomes to the desired benefits on the Business Case.*

### Communication Plan

Part of the Project Initiation Document describing how the project's stakeholders and interested parties will be kept informed during the project.

### Communication Management Strategy

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

*A description of the flow of information between the project and its stakeholders. It defines the method and frequency of the information exchange. During the start-up, the traffic of communication and reporting may be higher. The Communication Management Strategy provides an organised approach to deliver reports on a timely basis to those who need the information for decision making and/or other purposes.*

**Customer**

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

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

**Deliverable**

An item that the project has to create as part of the requirements. It may be part of the final outcome or an intermediate element on which one or more subsequent deliverables are dependent. According to the type of project, another name for a deliverable is 'product'.

**Output/Deliverable**

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

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

**End Project Report**

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

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

**End Stage Report**

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

*Project Manager's report to the Project Board that provides information on project performance during each stage and the overall project status up to that point. An End Stage Report should contain all the necessary information for the Board to decide whether to continue the project or not.*

**Executive**

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

*The person responsible to ensure the project satisfies its goals and delivers the intended benefits. The Executive is the chairperson of the Project Board and represents the Customer. He or she is also responsible for the Business Case.*

**Follow-on Action Recommendations**

A report that can be used as input to the process of creating a Business Case/Project Mandate for any follow-on PRINCE2 project and for recording any follow-on instructions covering incomplete products or outstanding Project Issues.

*A report created by the Project Manager at the end of a project that puts together recommendations on how to handle incomplete outputs, ongoing Issues and existing risks once the project is complete.*

### **Highlight Report**

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

*A report on the stage progress, prepared regularly by the Project Manager for the Project Board.*

### **Issue Log**

Contains all Project Issues including Requests for Change raised during the project. Project Issues are each allocated a unique number and are filed in the Issue Log.

#### **Issue Register**

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

*A log that keeps track of all the existing issues. It is monitored by the Project Manager regularly.*

### **Lessons Learned Log**

An informal collection of good and bad lessons learned about the management and specialist processes and products as the project progresses. At the end of the project, it is formalised and structured into a Lessons Learned Report. *See also* Lessons Learned Report.

#### **Lessons Report**

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

*A document that lists the lessons gained during the project. It helps to avoid possible mistakes and to repeat positive actions in future projects.*

### **Product**

Any input to or output from a project. PRINCE2 distinguishes between management products (which are produced as part of the management or quality processes of the project) and specialist products (which are those products that make up the final deliverable). A product may itself be a collection of other products.

*Any input to a project or output produced during the project. A PRINCE2 project creates two kinds of products, **Specialist** products and **Management** products. The creation of the specialist products is the reason that the project was started and these are the products that will be given to the users. Management products are documents used solely for the purpose of communication among the project management team and managing the project. **E.g.** Project Plan, Business Case, so the Users are only interested in the Specialist products.*

### **Product-based planning**

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

*A technique used to create a detailed plan that focuses on the required products. The technique is based on prerequisite products, quality requirements and dependencies between products.*

**Product Breakdown Structure**

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

*A ranking list of all the products defined in the plan.*

**Product Checklist**

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

*A list of all the major products to be produced, along with their dates of delivery.*

**Product Description**

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

*Information on the product's purpose, composition, derivation and quality criteria. A product is defined as soon as its need is identified.*

**Product Flow Diagram**

A diagram showing the sequence of production and interdependencies of the products listed in a Product Breakdown Structure. (so what has to be produced 1st, 2<sup>nd</sup>, 3<sup>rd</sup> etc...)

*A diagram showing the order of production and the prerequisites for each product defined in the Product Breakdown Structure.*

**Project Assurance**

The Project Board's appoints persons to this role to assure that the project is being conducted correctly. This role provides assurance that the project is going according to the information provided by the Project Manager.

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

*The Project Board's delegation of its assurance functions to another entity to make sure the project runs smoothly.*

**Project Brief**

A description of what the project is to do; a refined and extended version of the Project Mandate, which the Project Board approves and which is input to project initiation.

**Project Brief**

Statement that describes the purpose, time, cost and performance requirements, and constraints for a project. It is created pre-project during the Starting up a Project process and is used during the Initiating the Project process to create the Project Initiation Documentation and its components. It is superseded by the Project Initiation Documentation and not maintained.

*A document that outlines the project within its time, cost and performance constraints and defines its purpose. It is used to create the Project Initiation Documentation and is not updated during the project..*

**Project Initiation Document (PID)**

A logical document that brings together the key information needed to start the project on a sound basis and to convey that information to all concerned with the project.

**Project Initiation Documentation**

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

*A set of documents that contain essential information to start the project. It is also used to communicate the project with its stakeholders.*

### **Project Issue**

A term used to cover any concern, query, Request for Change, suggestion or Off-Specification raised during the project. They can be about anything to do with the project.

#### **Issue**

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

*An unforeseen event that requires management intervention. It can be any unplanned topic related with the project.*

### **Project life cycle**

This term is used in this manual to define the period from the start-up of a project to the handover of the finished product to those who will operate and maintain it.

#### **Project Lifecycle**

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

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

### **Project management**

The planning, monitoring and control of all aspects of a project and the motivation of all those involved in it to achieve the project objectives on time and to the specified cost, quality and performance.

*The conducting of the project in view of the project objectives. This includes the management of the human and nonhuman resources within the limits of cost, quality and performance.*

### **Project management team**

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

*Defines the total management structure of the project from top to bottom, from the Project Board to the Team Managers and the support staff.*

### **Project Manager**

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

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

### **Project Mandate**

Information created externally to the project that forms the terms of reference and is used to start up the PRINCE2 project.

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

### **Project Plan**

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

*A control document for measuring progress. It shows the required products of the project, their delivery dates and costs.*

### **Project Quality Plan**

A plan defining the key quality criteria, quality control and audit processes to be applied to project management and specialist work in the PRINCE2 project. It will be part of the text in the Project Initiation Document.

#### **Quality Management Strategy**

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

*A plan of action that defines the quality requirements and control methods for all the products in the project.*

### **Quality**

The totality of features and characteristics of a product or service that bear on its ability to satisfy stated needs. Also defined as 'fitness for purpose' or 'conforms to requirements'.

#### **Quality**

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

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

### **Risk**

Risk can be defined as uncertainty of outcome, whether positive opportunity or negative threat. Every project has risks associated with it. Project management has the task of identifying risks that apply and taking appropriate steps (eg: avoid, reduce or react to threats)

#### **Risk**

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

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

### **Risk Log**

Contains all information about the risks, their analysis, countermeasures and status.

#### **Risk Register**

A record of identified risks that are faced by an organization and its exposure to those risks.

*A log of possible risks that the project faces.*

### **Senior Supplier**

This is a Project Board role that represents the supplier interests.

#### **Senior Supplier**



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

*The Project Board role that represent the interests of those who are going to deliver the desired products.*

### **Senior User**

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

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

### **Stage**

A stage is the section of the project that the Project Manager is managing on behalf of the Project Board at any one time, at the end of which the Project Board wishes to review progress.

#### **Stage (Management Stages and Technical Stages)**

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

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

*There are two types of stages. In PRINCE2 a project is divided into stages to define management decision points. These are called the Management Stages. The second type, the Technical Stage, is a grouping of a certain set of techniques used in the development of the product. These two types of stages do not necessarily overlap.*

### **Tolerance**

The permissible deviation above and below a plan's estimate of time and cost without escalating the deviation to the next level of management. Separate tolerance figures should be given for time and cost.

*The estimated time and cost allowance in the project plan to tolerate possible deviations without the need of the Project Board intervention.*

**User(s):** The person or group who will use the final deliverable(s) of the project.

*The end users of the project's final deliverable.*