

Defining the Project Charter

The Project Charter describes the project vision and objectives (the reasons for doing the work). It also summarises at a high level the overall project strategy, scope, organisation and implementation. Ideally, the Charter is provided to the project manager by the project sponsor and helps set the direction for the project and gain support from key stakeholders as to how the project will be managed. If the Charter is missing or inadequate the project manager should develop or augment the document before starting any other planning process.

The key purpose of a Charter is to define exactly what it is the project has to achieve to be successful. This encompasses:

- Identifying the Project Vision: The vision encapsulates the purpose of the project and is business/benefits focused.
- Identifying the Project Objectives: Define three to five specific objectives that need to be achieved by the project to fulfil the vision. Each objective should be Specific, Measurable, Achievable, Realistic and Time-bound (SMART) and are output focused (major deliverables).
- Defining the overall Project Scope: The scope defines the formal boundaries of the project by describing what will be done by the project and what will not be done by the project. What will be done should be described as specific deliverables.

How this works: Your project is for a new business system; its vision is to improve efficiency. One objective is to provide training. The specific deliverables associated with this objective could include: develop the courseware, deliver two initial courses, an update of the training materials, a 'train the trainer' workshop and on-going support to the business trainer for 6 months. What's 'not done' by the project is the ongoing training of business staff for the next 3 or 4 years.

The charter should also outline at a high level how the project's work will be accomplished. This includes:

- Describing the Project Organisation: How the project will be structured including customers, stakeholders, key management roles, responsibilities and reporting lines.
 - A customer is a person or entity that is responsible for accepting the deliverables when the project is complete.
 - Stakeholders are people or groups who will be impacted by, or can influence the success or failure of the project. For more on Stakeholders see www.stakeholder-management.com
 - Roles and responsibilities include the Project Sponsor, Project Board, Project Manager and other key project positions. Each with a summary of their primary responsibilities.
 - Reporting lines: From the roles and responsibilities, the reporting lines between those roles can be defined in a Project Organisation Chart.
- Describing the Project Strategy: This describes how the project will be executed and forms the framework for detailed project planning. Some aspects to consider include:
 - The methodology to be used PRINCE2 / Agile / Waterfall.... This sets the overall framework.
 - Key Milestones to be achieved by the project. A milestone is typically an important project event, such as the achievement of a key deliverable.
 - Key phases and/or activities, and the overall time frames involved in undertaking the project.
 - Key external dependencies and their criticality to the project. An external dependency is an activity or event that is likely to impact on the project during its life cycle.
 - A summary resource plan (based on the methodology and time frame) including the overall requirements for labour, equipment, materials and financial resources.
- Known Major Risks and Issues: The Project Charter should identify any significant, known risks, issues, assumptions and constraints related to the project (these have usually been defined in the Business Case and need to roll through into the project risk register).

Where significant documents exist (eg, the business case) these documents are referenced in the Project Charter. The overall Charter should be no more than two pages long focused on the clarifying summary of why the project exists, not the detail of how it will be accomplished.

How to create your "Project Charter"

The Project Charter describes the project vision, objectives, scope, organization and implementation plan. It helps you to set the direction for the project and gain buy in from your stakeholders as to how the project will be organized and implemented. It will also help you to control the scope of your project, by defining exactly what it is that you have to achieve. To define a Project Charter, take these steps:



Step 1: Identify the Project Vision

Vision: The first step taken when defining a Project Charter is to identify the project vision. The vision encapsulates the purpose of the project and is the defined end goal for the project team.

Objectives: Then based on the vision, list three to five objectives to be achieved by the project. Each objective should be Specific, Measurable, Achievable, Realistic and Time-bound (SMART).

Scope: With a clear view of the Vision and Objectives of the project, it's time to define the project scope. The scope defines the formal boundaries of the project by describing how the business will be changed or altered by the project delivery.

Deliverables: Then you need to describe each of the deliverables that the project will produce.

Step 2: Describe the Project Organization

The next step is to identify how the project will be structured by listing the customers, stakeholders, roles, responsibilities and reporting lines.

Customers: First, identify the project customers. A customer is a person or entity that is responsible for accepting the deliverables when the project is complete.

Stakeholders: Then identify the project stakeholders. A stakeholder is a person or entity within or outside of the project with a specific key interest or stake in the project. For example, a Financial Controller will be interested in the cost of the project, and a CEO will be interested in whether the project helps to achieve the company vision.

Roles: Now list the key roles involved in delivering the project. Examples of roles include the Project Sponsor, Project Board and Project Manager. Then summarize each of the primary responsibilities of each role identified.

Structure: Once you have a clear view of the roles needed to undertake the project, you can depict the reporting lines between those roles within a *Project Organization Chart*.

Step 3: Plan the Approach to Implementation

You now have a solid definition of what the project needs to achieve and how it will be organized to achieve it. The next step is to describe the implementation approach as follows:

Implementation Plan: To provide the Customer and Stakeholders with confidence that the project implementation has been well thought through, create an *Implementation Plan* listing the phases, activities and timeframes involved in undertaking the project.

Milestones: In addition, list any important milestones and describe why they are critical to the project. A *milestone* is typically an important project event, such as the achievement of a key deliverable.

Dependencies: List any key dependencies and their criticality to the project. A *dependency* is defined as an activity that is likely to impact on the project during its life cycle.

Resource Plan: Create a plan which summarizes the resources involved in undertaking the project by listing the labor, equipment and materials needed. Then budget the financial resources needed.

Step 4: List the Risks and Issues

The final step taken to complete your Project Charter is to identify any project risks, issues, assumptions and constraints related to the project.

And that's it. If you complete each of the steps above, then you will create a solid Project Charter for your project, helping you to manage scope and deliver consistently on time and within budget.