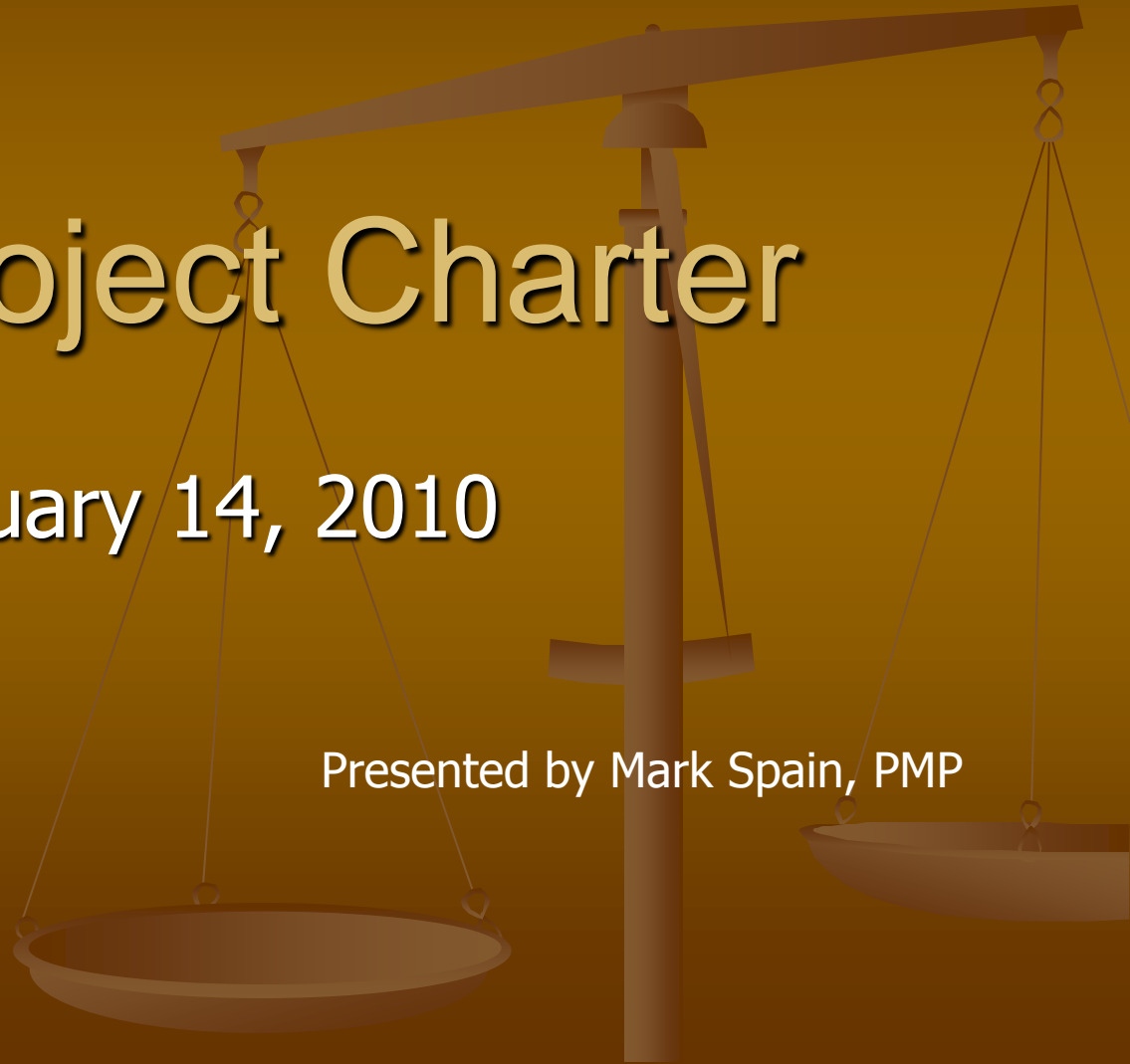


Back to Basics

The Project Charter

January 14, 2010

Presented by Mark Spain, PMP

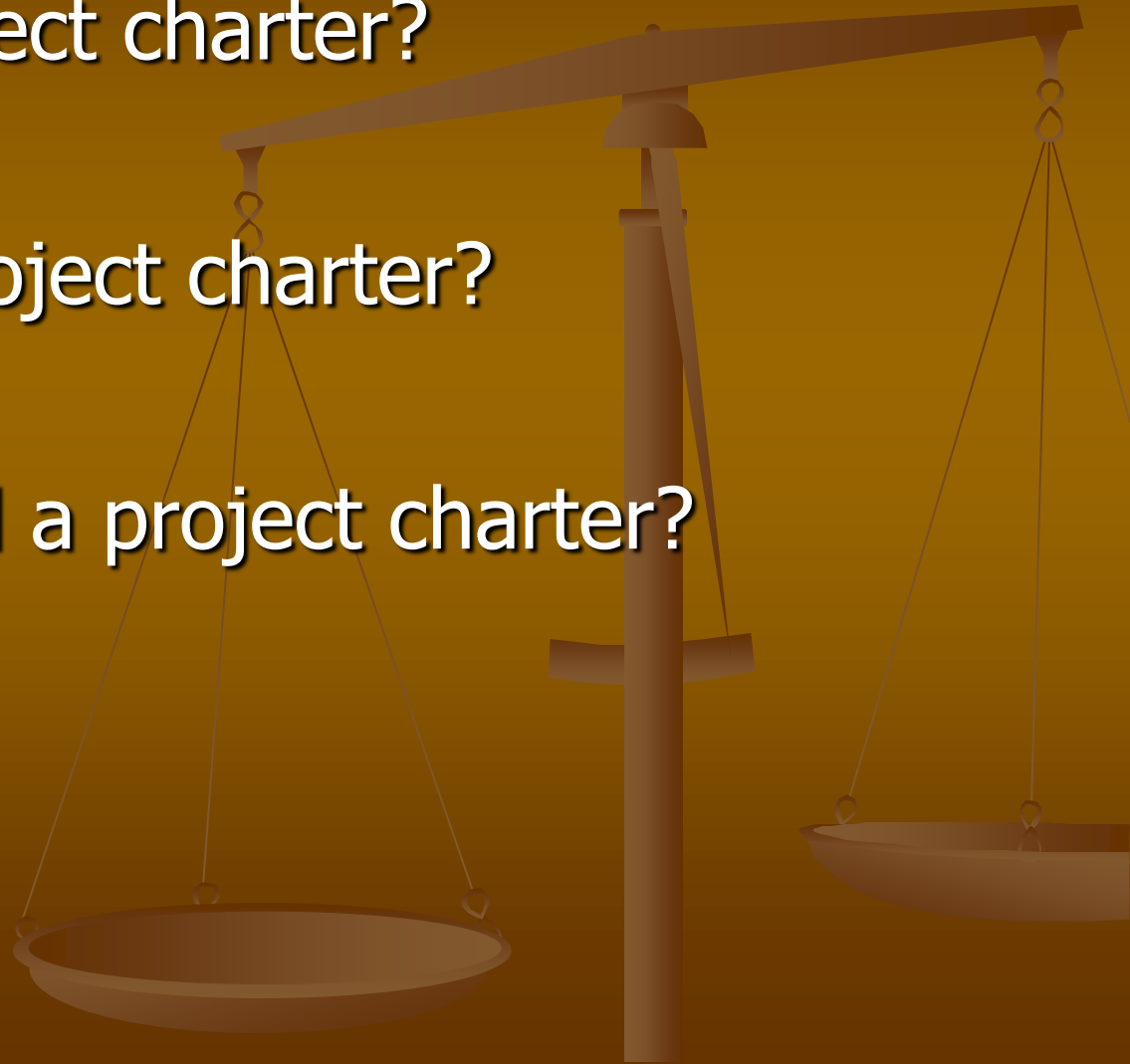


Have you...?

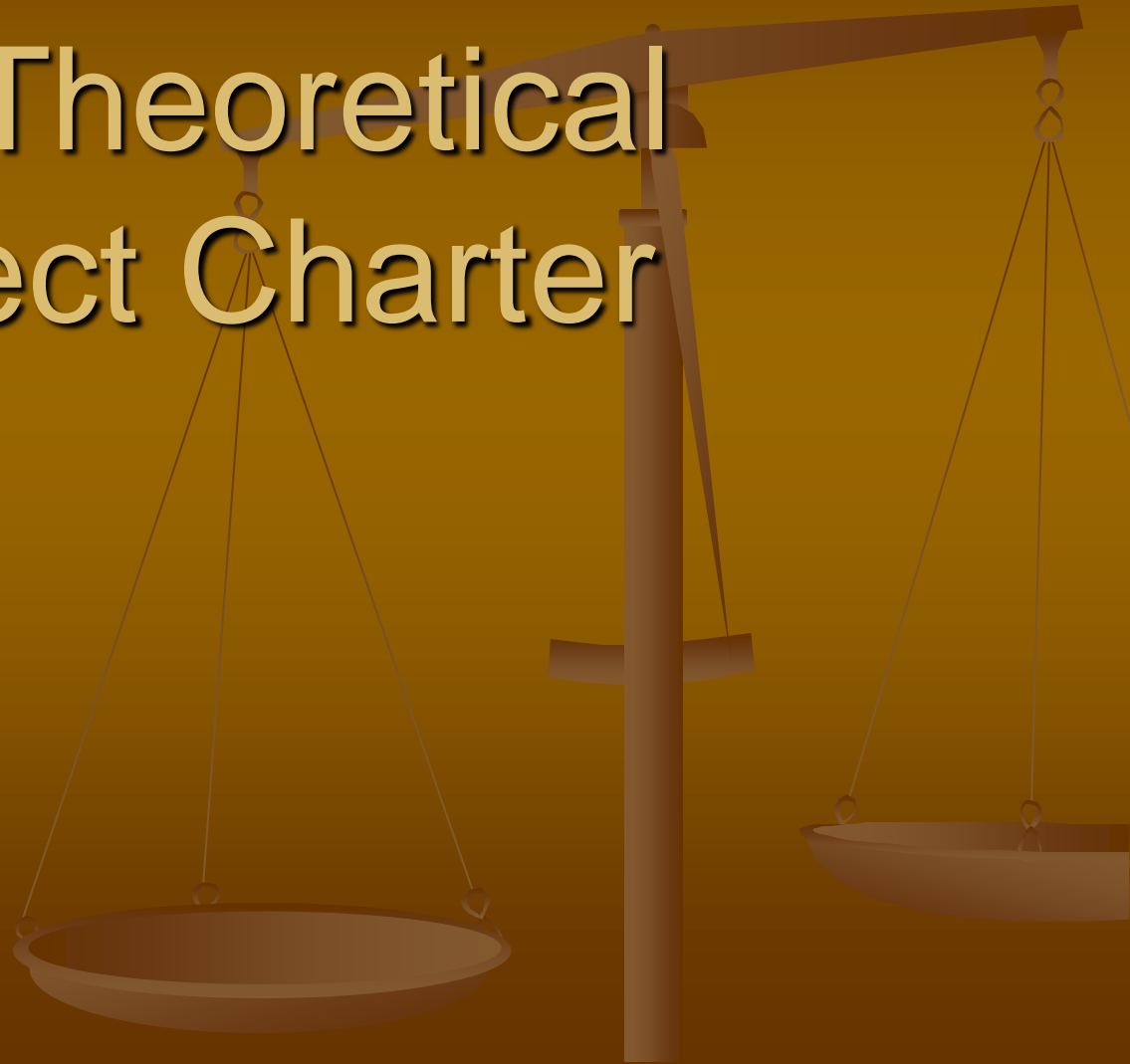
...Prepared a project charter?

...Authorized a project charter?

...Wished you had a project charter?

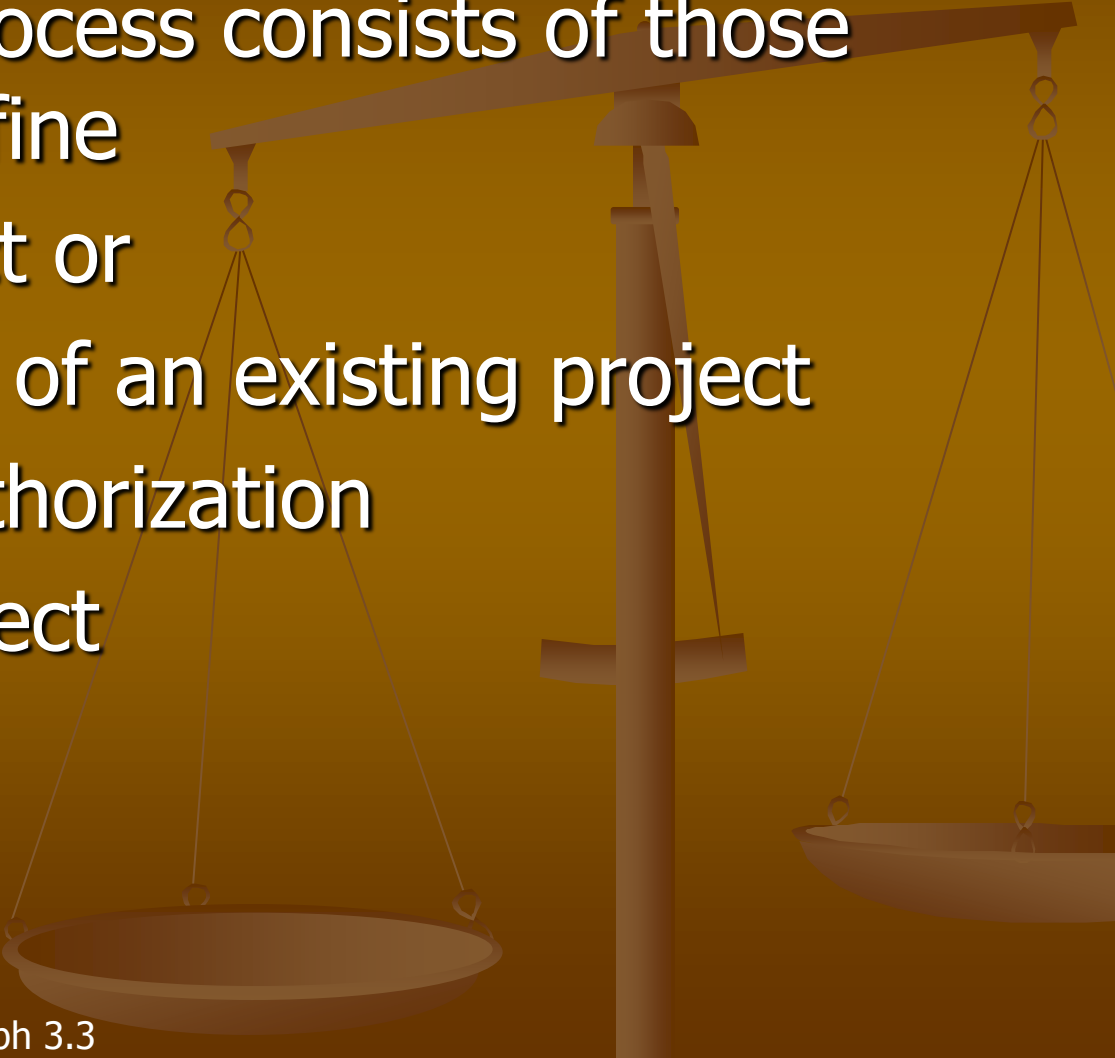


The Theoretical Project Charter



PMBOK: Initiating

The initiating process consists of those processes to define a new project or a new phase of an existing project by obtaining authorization to start the project



PMBOK: Initiating

- Initial scope is defined
- Initial financial resources are committed
- Stakeholders are identified
- Project manager is selected
- Information is captured in the project charter

ff^{5/8} H_TC_R1^{c/5/8}1/8^N_L 2/3^{5/8}1/8¹N^{5/8}L_F 17/8^{7/8}€^{1/8}€^{1/3}00^{0/00}Rs
1/3^V_T^N_L⊕¹C_R€^{MD}5/8^{3/8} W^{5/8}— ^N_L⊕^{5/8} 1/8[⊕]1/3^C_R^N_L5/8^C_R €^L_F
1/3^H_T^H_T^C_R1^{♻️}5/8^{3/8}P_t

PMBOK: Initiating

- Project initiation may be done by organizational, program, or portfolio processes, including preparation of...
 - Project objectives
 - Initial scope statement
 - Deliverables
 - Project duration, and
 - Resource forecasts

The Project Charter



- Formally authorizes a project or a phase
- Documents initial requirements
 - To satisfy stakeholder...
 - Needs
 - Expectations
- In a phased project, it may be updated and used...
 - To validate previous charter content
 - To refine previous decisions documented in the project charter

Inputs and Outputs

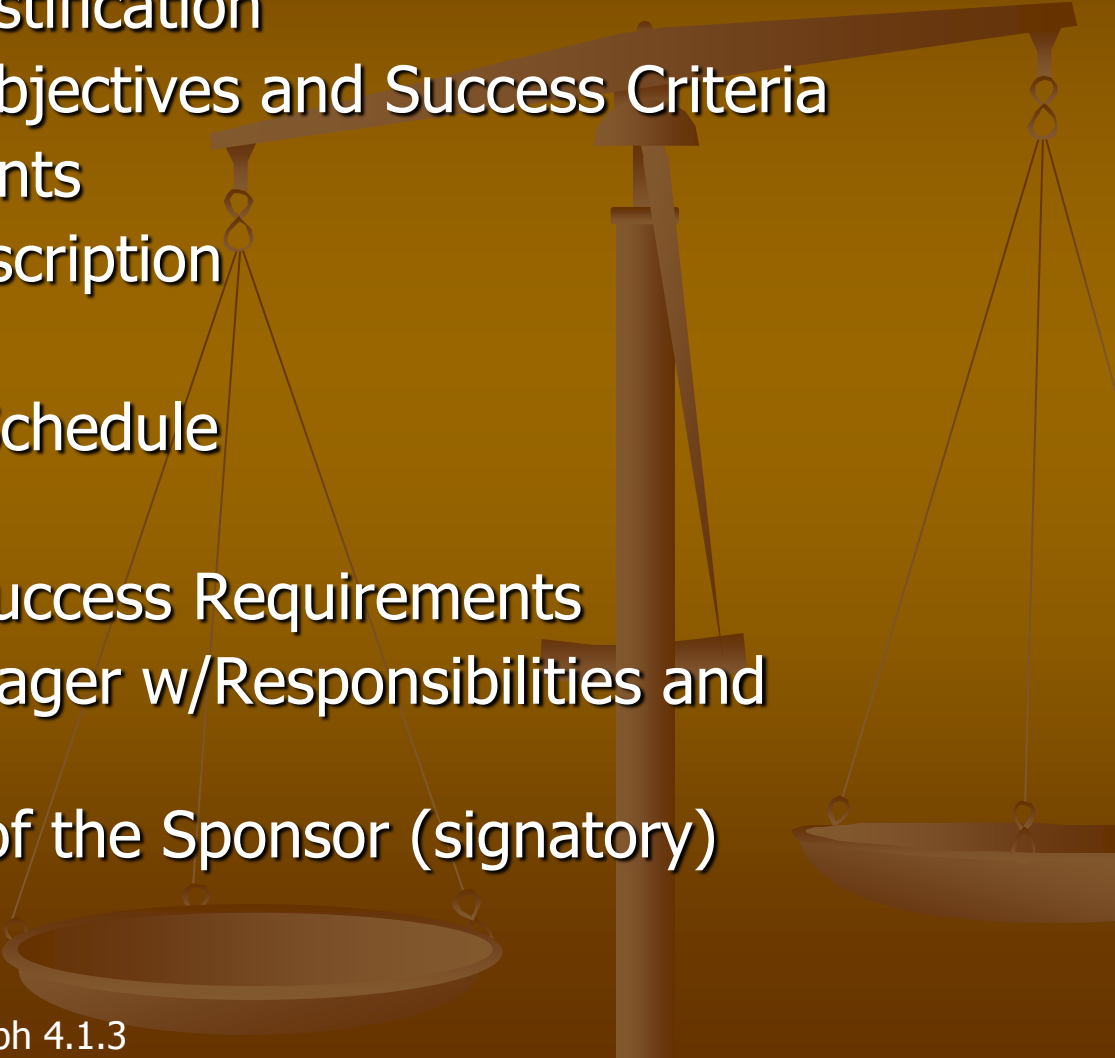
Inputs

- .1 Project statement of work**
- .2 Business case**
- .3 Contract**
- .4 Enterprise environmental factors**
- .5 Organizations process assets**

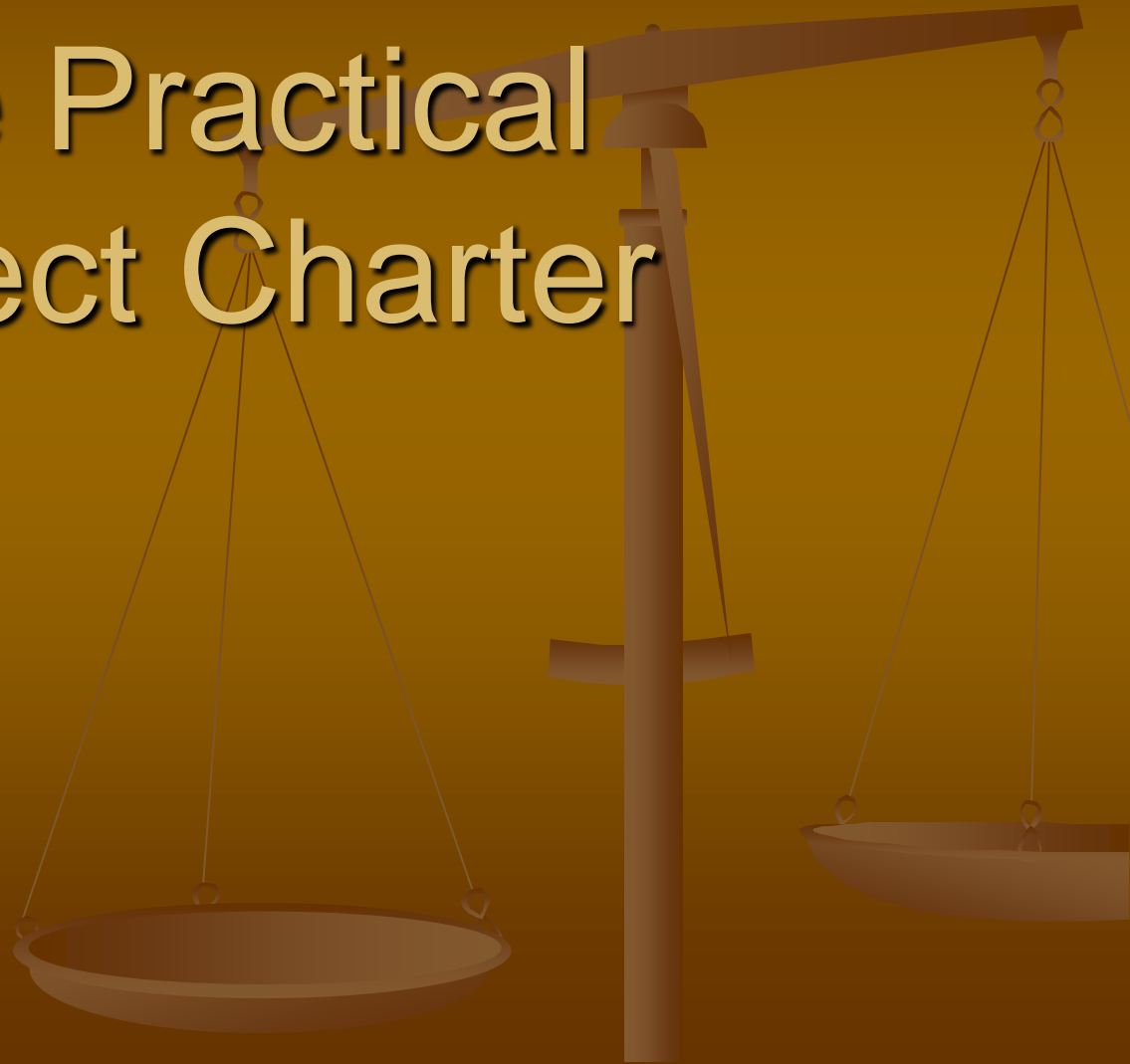
Outputs

- .1 Project charter**

What Comprises a Project Charter?

- Project Purpose or Justification
 - Measurable Project Objectives and Success Criteria
 - High-level Requirements
 - High-level Project Description
 - High-level Risks
 - Summary Milestone Schedule
 - Summary Budget
 - Project Approval or Success Requirements
 - Assigned Project Manager w/Responsibilities and Authority Identified
 - Name and Authority of the Sponsor (signatory)
- 

The Practical Project Charter



The Practical Charter

- Depends on
 - Organization
 - Sponsor
 - Project
- Relies on
 - Experience
 - Common Sense
 - Simplicity



Three Practical Charters



The Letter Project Charter

The Simple Project Charter

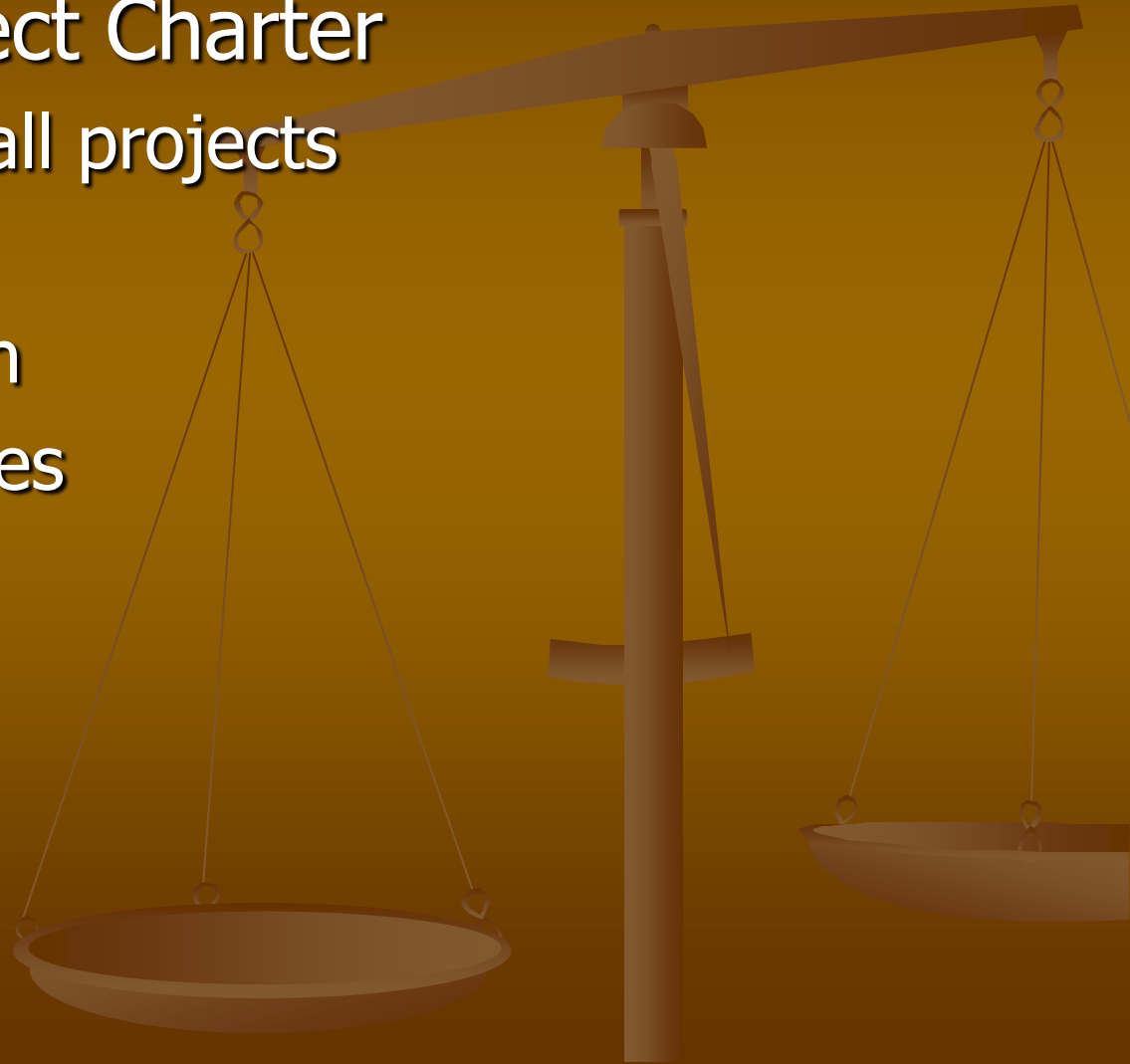
The Detailed Project Charter

Keep It Simple

- The Letter Project Charter
 - Focused on small projects
 - Limited scope
 - Limited duration
 - Limited resources
 - Low risk



Letter Charter

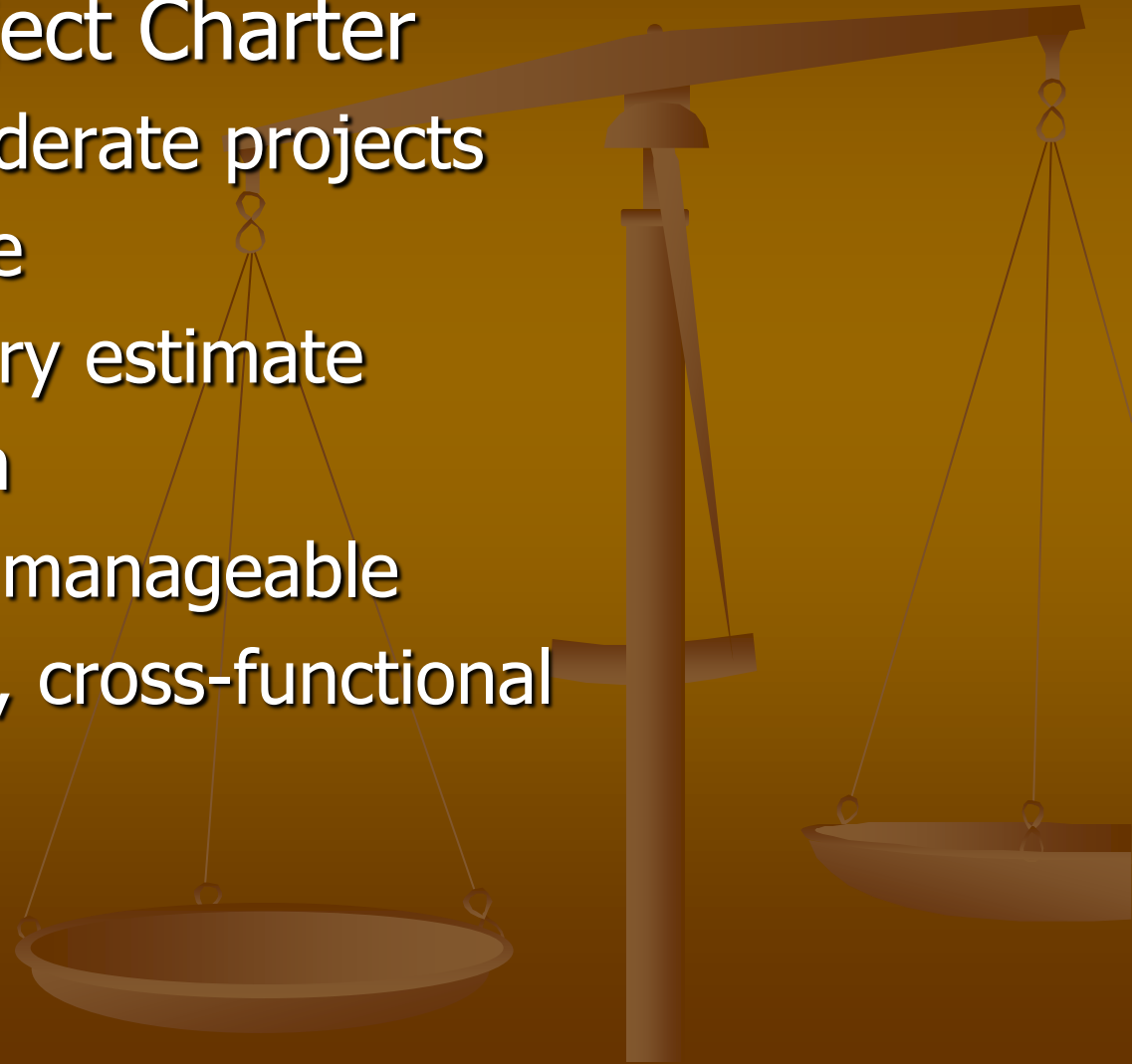


A Bit More Complex

- The Simple Project Charter
 - Focused on moderate projects
 - Increased scope
 - Higher budgetary estimate
 - Longer duration
 - More risks, but manageable
 - More resources, cross-functional



Simple Project
Charter



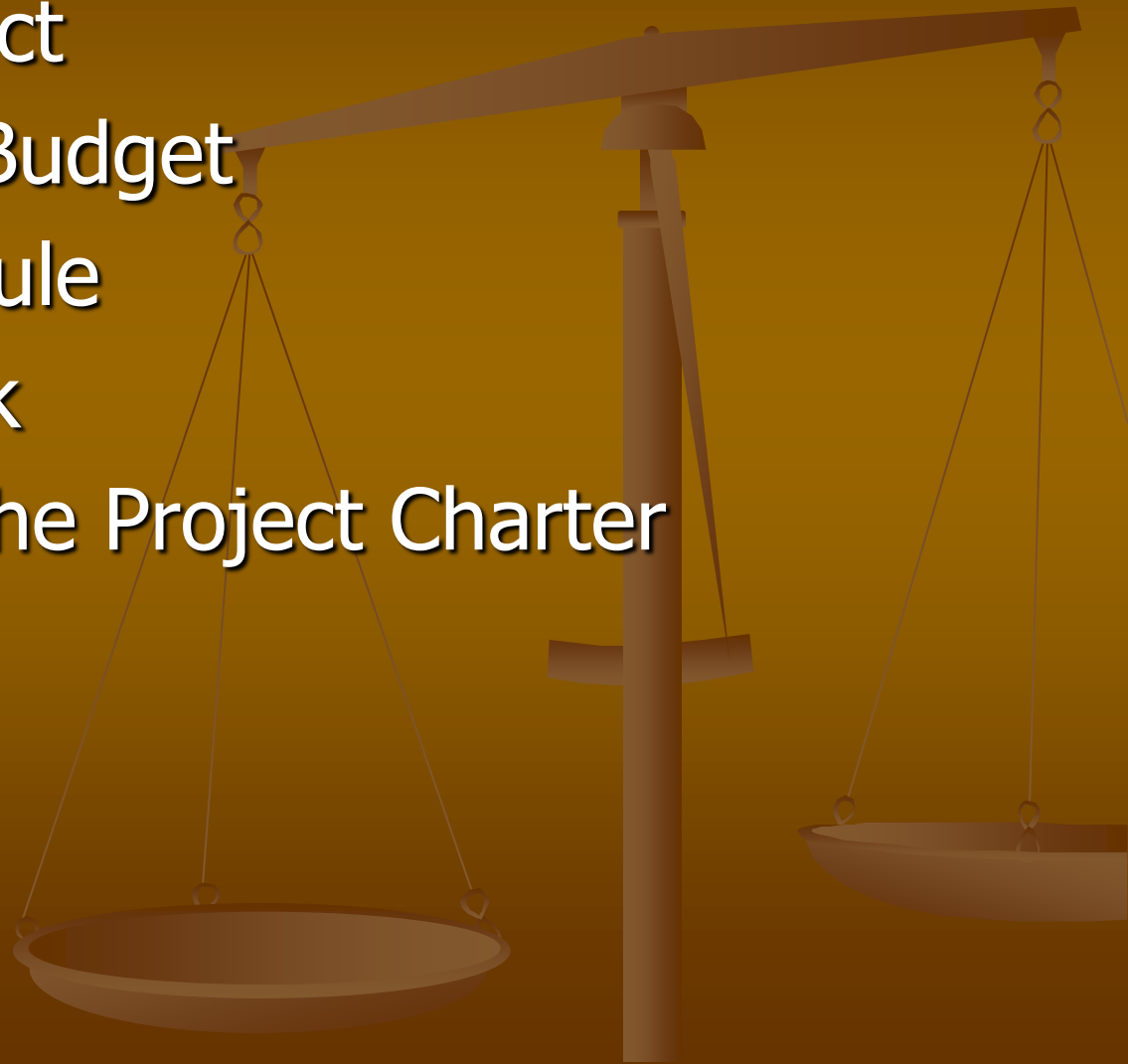
Multi-Faceted

- The Detailed Project Charter
 - Focused on large or complex projects
 - Long duration
 - High cost
 - High risk
 - Complex technical requirements
 - More developmental, less off-the-shelf
 - Significant resource usage



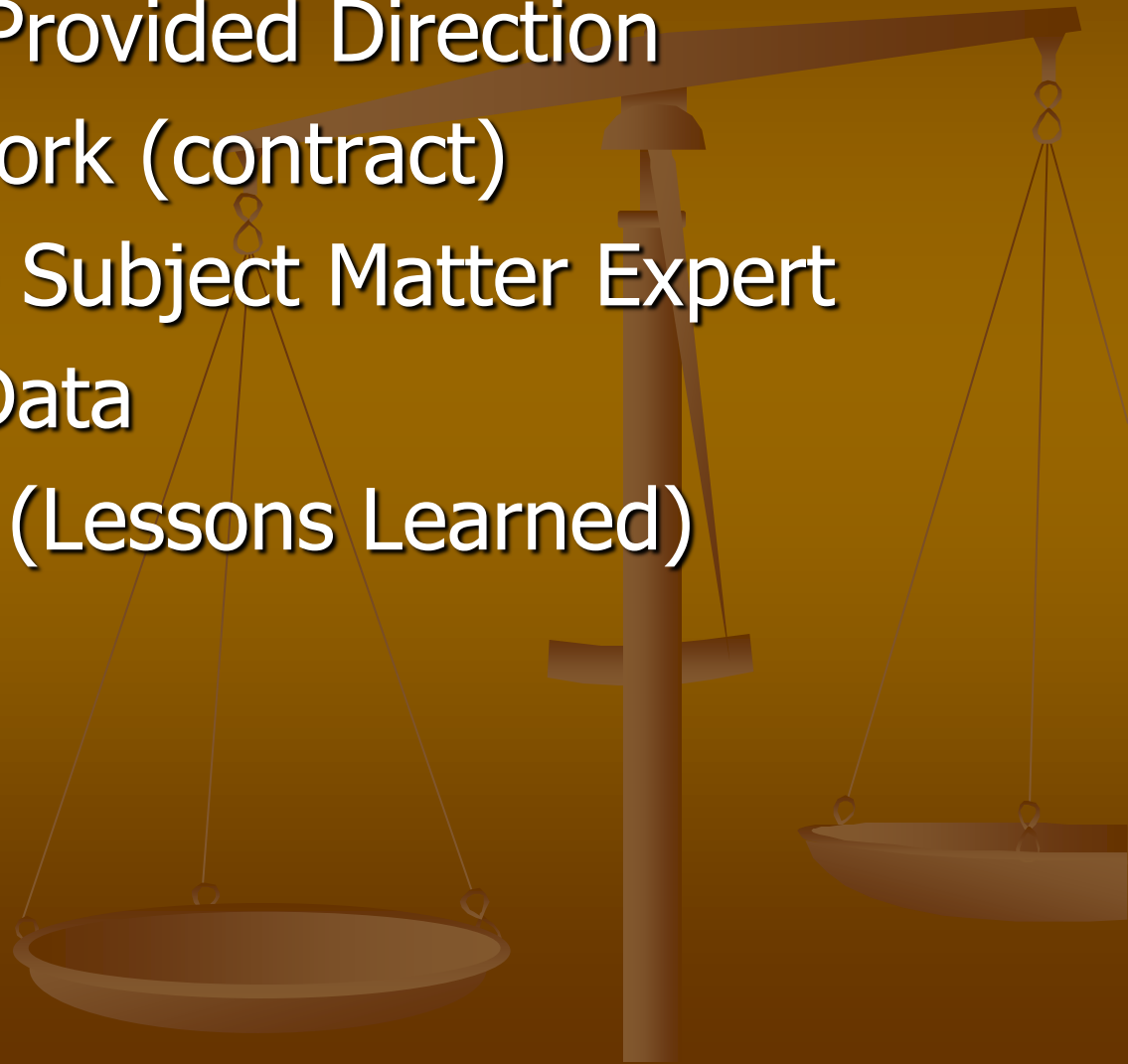
How Do I...?

- Scope the Project
- Determine the Budget
- Build the Schedule
- Identify the Risk
- Get Buy-in for the Project Charter



Scope the Project

- Stakeholder(s) Provided Direction
- Statement of Work (contract)
- Expertise of the Subject Matter Expert
- Business Case Data
- Similar Projects (Lessons Learned)



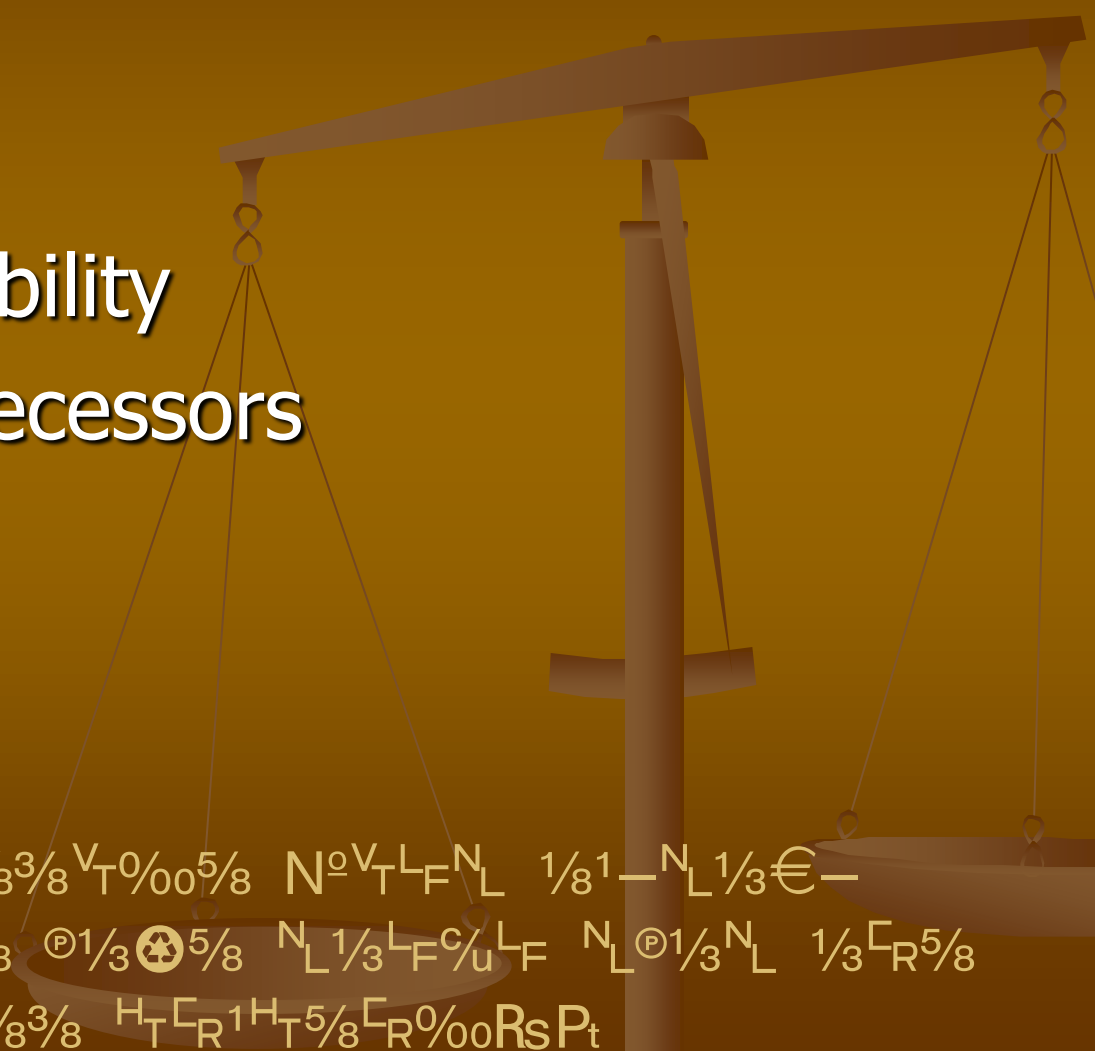
Determine the Budget

- Review the Scope
 - Work Breakdown Structure
 - Organizational Breakdown Structure
 - Outside contract estimates
- Historical Information
- Estimates from the Experts
- Risk Factors

$\langle 1 - \dots \rangle$ N_L $C_R^{5/8}$ $0/00$ R_S $1 - L_F$ $1/N^{5/8}$ $1 - 5/8$ L_F $2/3$ $5/8$ L_F N_L \otimes V_T $5/8$ L_F L_F \otimes $5/8$ N_L
 $7/8$ $1/3$ $1/8$ N_L V_T $1/3$ $0/00$ \in $-7/8$ $1/C_R$ $N^{1/3}$ N_L \in $1 - 1/3 - 3/8$ $3/8$ $5/8$ N_L $5/8$ C_R N^0 \in $-5/8$
 N_L \otimes $5/8$ \otimes $1/3$ $0/00$ \in $3/8$ \in N_L R_S $17/8$ N_L \otimes $5/8$ \in $-7/8$ $1/C_R$ $N^{1/3}$ N_L \in $1 - P_t$

Build the Schedule

- Work Tasks
- Duration
- Resource Availability
- Linkages - Predecessors



“ $C_R^{5/8} L_F^{1/8} P^{5/8} V_T^{3/8} N^0 L_F^{1/8} N_L^{1/8} 1/8 - N_L^{1/3} € -$
 $C_R^{5/8} L_F^{1/8} V_T^{1/8} C_R^{1/8} L_F^{1/8} 1/3 - 3/8 P^{1/3} 5/8 N_L^{1/3} L_F^{1/8} N_L^{1/3} N_L^{1/3} C_R^{5/8}$
 $0/00 € - C_U^{5/8} H_T C_R^{1/8} H_T^{5/8} C_R^{0/00} R_S P_t$

Identify the Risk

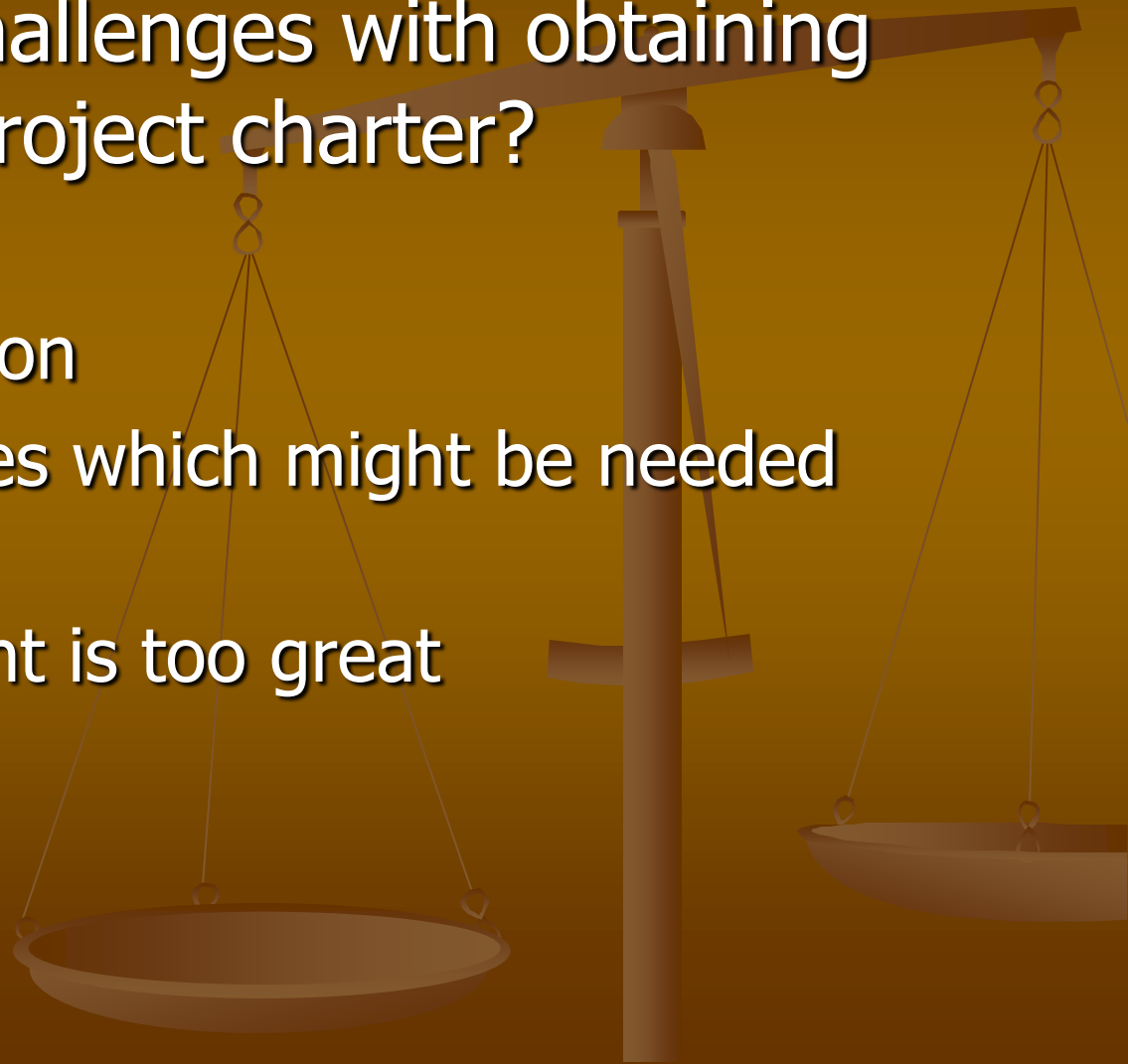
- What is a risk for the project?
 - Scope impact
 - Schedule impact
 - Budget impact
 - Stakeholder impact
- How do we handle the risk?
 - Recognize the risk trigger
 - Determine response actions for each risk
 - Understand the consequences of the risk



Assumptions

Project Charter Buy-in

- What are the challenges with obtaining buy-in for the project charter?
 - It is too formal
 - It obligates action
 - It uses resources which might be needed elsewhere
 - The commitment is too great



Solving the Buy-in Question

- Full understanding of the project
- Transparency about resource usage
- Integrity of the process
 - Truthful disclosures
 - Honest estimates
 - Accurate requirements

$\pm N_L \quad \in L_F \quad 3/8 \in 7/8 \quad 7/8 \in 1/8 \quad V_T \quad 0/00 \quad N_L \quad N_{L1} \quad 1/8 \quad \textcircled{1} \quad 1/3 \quad 0/00 \quad 0/00 \quad 5/8 \quad - \quad \textcircled{M} \quad 5/8 \quad C/u \quad - \quad 1 \quad \text{W} \quad -$

$N_L \quad C_R \quad V_T \quad N_L \quad \textcircled{P} \quad P_t$

Back to Basics – Project Charter

- The practical project charter should be
 - tailored to the size and complexity of the project
 - an accurate reflection of the known project data
 - used for all projects
- The project charter is a beginning, not an end

ff^{5/8} 7/8 €_R L_F N_L L_F N_L 5/8 H_T N⁰ 1/3 R_S 2/3 5/8 3/8 € 7/8 7/8 € 1/8 V_T 0/00 N_L £ 2/3 V_T N_L
€^N_L 1 H_T 5/8 – L_F V_T H_T 5/8 – 3/8 0/00 5/8 L_F L_F H_T 1 L_F L_F € 2/3 € 0/00 €^N_L € 5/8 L_F P_t

Questions?

