



The Project Charter – Blueprint for Success

Chuck McKeever
GCI, Inc.

Projects are tricky, that is why many fail; however, a good project charter is a valid solution to help your team and organization deliver projects successfully.

According to Plato, “The beginning is the most important part of the work.” On April 30, 1492, King Ferdinand and Queen Elizabeth of Castile, Spain, issued a charter and provided Christopher Columbus with the necessary vessels and men to discover and subdue islands and a continent. The expedition charter was the realization of Columbus’ dream; after many years of work, he convinced the monarchy of the benefits of the project, and they sponsored his endeavor with resources. Additionally, based on the potential danger, they agreed to reward him after the successful conquest with a promotion to admiral and governor. This historic project charter resulted in the discovery of America and remarkable riches for the project sponsors, project manager, and Spain.

Unfortunately, this project success story is the exception, not the norm. Based on many research studies and public project failures, many projects fail due to a variety of reasons such as poor definition, poor planning, lack of commitment, etc., causing organizations to lose billions of dollars, customers, and time.

In 1994, the Standish Group, a project management and information technology company, published its landmark, original “Chaos Report” [1] finding that American companies wasted \$81 billion on canceled information technology projects. In its 2001 updated research, the Standish Group found that executive support is the most critical factor to project success. Companies that practiced senior management support of projects were more likely to achieve positive results and reduce problems throughout the project life cycle. Additionally, projects that did not have proper sponsorship – but were still continued – delivered such poor functionality that most users would not count them as successful projects.

One recent, high-profile failure is the Federal Bureau of Investigation’s (FBI) Virtual Case File (VCF) project that wasted more than \$170 million of taxpayer money; it is beset with cost, schedule, and technical problems, and is still not fielded. VCF is the case management system com-

ponent of the FBI’s information technology upgrade program known as Trilogy. In February 2005, the Department of Justice Office of the Inspector General found that “FBI management did not exercise adequate control over the Trilogy project and its evolution in the early years of the project” [2]. Despite good intentions, the lack of proper project management controls and processes doomed this effort. Unfortunately, the FBI and numerous other companies and organizations make similar errors in problem initiation, which results in wasting precious resources and not achieving organizational goals.

“The project charter is a stakeholders’ agreement, providing the written authorization to proceed with a project.”

This article describes a proven solution that improves project success through better communication, defined roles, and confirmed stakeholder buy-in before a project starts. The solution is a project charter. A charter is a tool that obtains commitment from all affected groups and individuals associated with a project.

The American Heritage Dictionary describes a charter as “any written instrument given as evidence of agreement, transfer, or contract” [3]. The word charter originated from the Latin word, *chartula*, which meant paper. I define a project charter as a written agreement developed and coordinated by the customer organization, the organization providing the service or product, and other key stakeholders. A charter authorizes a project, and ensures that necessary resources and management commitments are provided

to achieve success. It is a tool to obtain commitment and ensure understanding of roles and responsibilities from all affected groups for a project before it starts. A project charter is a formal agreement that ensures project stakeholders share a common understanding of why the project is being done, the timeframe, deliverables, boundaries, and responsibilities. The project charter addresses the following:

- Roles, responsibilities, activities.
- Project management framework.
- Management commitments.
- Stakeholders and partners.
- Customer success criteria.

The project charter provides a consolidated and summary-level overview of the project. It allows all stakeholders to agree on and document project scope, objectives, timeframe approach, and deliverables. The project charter is one of the first steps in the project planning process following completion of the project initiation phase. The project charter should not be confused with the investment business case (IBC). The IBC should already be completed, and the investment decision to proceed with a project should be taken before a project charter.

A project charter is also not a project plan. A project plan is more detailed and comes later in the project cycle. The project plan is a comprehensive plan that pulls together all the outputs of project planning activities, which include project scope, project activities, activity sequence, activity durations, resources required for activities, project schedule, cost estimation, spending plan, and a quality plan.

The project charter is an effective planning tool used in the project initiation phase and is a communication tool that can be continually referenced. It is both a quick reference guide and an executive summary of what the project is about, why it is being done, who is involved, roles and responsibilities, schedule, and general approach. It also helps new project team members get familiarized with the project more quickly – all in one convenient document.

The project charter does not normally change through the project life cycle. It is

created at the beginning of the effort, approved by key stakeholders, and signed before work starts on a project. Many smart organizations have implemented a no-charter, no-project policy to improve efficiency and ensure management commitment. The project charter captures the rationale and agreement for the project at the time of initiation, providing a baseline with a specific date, signatures, and formal organizational sponsorship.

The project charter is a single reference about the project regarding planning and initiation. Of course, the project charter could be updated later in the project cycle if all parties agree to new updates. However, its primary purpose is project authorization and kickoff. It provides information about scope, objectives, deliverables, risks, and other issues. It lays the foundation for how the project will be structured and managed in terms of change control, oversight risk, and issue resolution.

The Project Management Institute (PMI) has created a reference guide called “A Guide to the Project Management Body of Knowledge (PMBOK Guide)” [4] that provides generally accepted knowledge and practices used in the project management profession. The PMBOK describes the project charter as “a document that formally authorizes a project.” The project charter addresses important aspects of a project, and can be linked to all nine knowledge areas that are listed in the PMBOK. PMI recognizes the importance and utility of the project charter and considers it a best practice.

Benefits

The project charter provides a consolidated and summary-level overview of the project. It allows all stakeholders to agree on and document project scope, objectives, approach timeframe, and deliverables. Collaboration and consensus by all key project participants is the goal. It also captures the agreed-upon communications plan, control mechanisms, funding, and responsibilities of team members. It is the fundamental communications tool within the project environment. The project charter is a stakeholders’ agreement, providing the written authorization to proceed with a project. It provides a historical record that can ensure unity of effort and defuse conflict.

Leading organizations and seasoned project managers know the power of a well-written project charter. For example, in a heated discussion during a project’s monthly status review, I was once challenged as the project manager by an executive

on the availability of engineering staff to support a \$4 million campus fiber optic cable installation project. Instead of reacting to the harangue, I responded to the inquiry calmly by simply showing the project charter and pointing out where his director of engineering had agreed to provide the necessary trained installers and equipment to support the schedule. Reluctantly, the executive agreed that his organization was responsible for this work and would accomplish the task on schedule. My boss, the chief information officer, was also at the meeting, and was a project stakeholder. He smiled at me knowing that we had done our homework by getting the necessary signatures on the project charter. This diffused a potential political turf battle. The project charter helped our team complete our project on time, on budget, and to specification, greatly enhancing our automation network and bandwidth service to more than 2,000 users.

A project charter provides the additional following benefits:

- Defined roles and responsibilities.
- Better project sponsorship.
- Senior management commitment.
- Improved project management processes.
- Increased probability of project success.

The development of the project charter is a collaborative activity; any one party should not do it in isolation since it outlines an agreement between the project stakeholders of what the project will deliver and how. The project manager has ultimate responsibility for ensuring the project charter is developed, coordinated, and approved. Project charters can have different formats, levels of detail, and sections. The time it takes to prepare a project charter depends on the organization, specifics included in the document, and internal procedures. It requires time to create; the time invested up front will save lots of time and reduce confusion later due to improved coordination and communication. Each organization and project manager can tailor the charter to describe and fit the project as appropriate. Based on experience and research, I recommend the following 14 areas be addressed in a project charter:

1. Project Name

The project name identifies the unique project.

2. Project Purpose

The project purpose is a brief executive summary description of the project

describing the reason for the project, background, intent, and expectations. The purpose describes the business or organizational need for the project. The following example of a project purpose describes the organizational rationale for starting a project:

Internet electronic commerce, *e-commerce*, is used daily by consumers and businesses worldwide to safely buy and sell goods and services. The proposed cost savings and productivity improvements that can be achieved by e-commerce are substantial. For this reason, the E-Commerce Project is being initiated to evaluate specifically how our organization can take advantage of these benefits, and to identify infrastructure and procedures that may be required to adopt this technology. This six-month project will result in a better understanding by our organization of the benefits and requirements for operating in an electronic commerce environment.

3. Project Scope

The project scope identifies the boundaries for the project and the product or service that will be provided. The project scope identifies what work will be performed and clearly identifies what is in scope and what is not in scope.

4. Project Objectives

Project objectives identify what the project is intended to achieve in business and technical terms, including the benefits and efficiencies to be gained. Areas that project objectives might address include operational improvements, enhanced readiness, productivity improvements, market opportunities, etc. All objectives should be based on the SMART goal setting technique: SMART is a mnemonic that stands for the following:

- Specific.
- Measurable.
- Agreed.
- Realistic.
- Time constrained.

5. Roles and Responsibilities

Roles and responsibilities are specific positions within the project, which are assigned unique authorities and duties. Four roles and responsibilities that must be identified are the project sponsor, project manager, customer, and project team. There may be other roles and responsibilities such as finance, engineering, con-

tracts, etc. that may need to be considered and included based on your organizational environment.

Sponsor

The sponsor is an organizational leader who commits political capital, resources, and time in support of the project. The sponsor is normally from senior management and is often the project champion. The project sponsor maintains ultimate authority over and responsibility for the project. Ideally, the sponsor should be able to make 75 percent of the decisions without getting additional approvals from executive management. The sponsor is the arbitrator who resolves conflicts between stakeholders and organizational departments to support the project team.

Project Manager

The project manager has overall responsibility for the project's success and reports to the project sponsor. The project manager manages the project on a day-to-day basis, coordinates all activities, and approves work products. It is important to list the project manager's authority and boundaries. The project manager develops and executes the project charter and project plan.

Customer

The customer will be the beneficiary and receive the results of your project; a customer could be a person or organization. The customer representative is the voice of the customer and represents users and customers to ensure that their equities are addressed.

Project Team

The project team consists of core functional and technical team members working together to produce project deliverables and work packages. The stakeholder team consists of individuals and organizations that will be affected by the project and have a vested interest in the project's success. The stakeholder team ensures all business and technical requirements are addressed, reviews project status, provides feedback to the project team, and reviews project deliverables.

6. Project Approach

The project approach identifies the general strategy for completing the project and explains methods and processes that will be used. It describes the project team structure and outlines the project plan. A high-level project schedule with milestone dates and control gates should also be included. Identify any key interdependen-

cies, personnel, and relationships outside the control of the project team that will affect project success such as dependent architecture projects. Address how decision making will be done. Include your communications strategy, including how the project team will communicate and get the word out, i.e., meetings, e-mail, Web site, etc. If you have a tentative idea of the project completion date, include it in this section.

7. Project Deliverables

This section provides a list of all deliverables that will be generated both during and upon completion of the project, along with milestones with dates. A high-level summary of all major deliverables should also be provided. Every deliverable should provide a description of its quality objective and approval requirement. All deliverables must be specific and measurable, and there should be an ability to measure the quality of the deliverable. For example, weekly project status reports provided to the project sponsor, project team, and stakeholder team improve communication and customer satisfaction by keeping everyone informed of progress.

8. Constraints and Assumptions

Constraints and assumptions identify limitations considering the current and future environment the project must support. These factors will influence many project decisions and strategies. Dependencies outside of the project manager's control should be identified. For example, activities to be performed by a client or subcontractor required to support the project must be documented. Beware of scope creep and new requirements. As the FBI's VCF project demonstrated, an organization should not solely rely on a prime contractor for due diligence and assumptions. Unfortunately, there is often a conflict of interest. The potential impact of each constraint and assumption, both positive and negative, should be identified.

9. References

Identify any documents, decisions, or references that were used in developing the project charter. Include the date, author, and other information to describe the citation.

10. Terminology

Describe any unique terms or acronyms that will be used within the project. Terms that may be new or confusing to project stakeholders should be clearly explained.

Avoid technical jargon and buzzwords. When in doubt, spell it out.

11. Risk Management

Identify risks associated with the project and the actions that can be taken during project execution to minimize impact. Mitigation strategies and planned response approaches should also be identified. What are your contingency plans to deal with the unexpected?

12. Project Facilities and Resources

The project's requirements for funding, facilities, resources, office space, computer equipment, office equipment, unique security requirements, and support tools should be identified. As they say in Hollywood, "Show me the money." You should include your tentative budget here so the organization can plan, prioritize, and provide your project with sufficient funding for success. Other areas such as training, quality assurance, and documentation should also be considered. Responsibilities for coordination and resolution of these issues should be clearly assigned. Any service-level agreement or support arrangement should be documented.

13. Performance Measures

The project should identify its success criteria. List the agreed-upon methods for assessing whether project goals were achieved. Performance measures use measurable criteria that should be satisfied before the project is considered complete.

14. Approval

This section identifies the names and roles of all key stakeholders, including the project sponsor, project manager, the customer representative, and other key project personnel. All key stakeholders should sign and date the project charter to document the agreement, ensure buy-in, and provide written authorization for the project to begin.

Summary

A project charter is your insurance policy to get management commitment, resources, and stakeholder buy-in to ensure success. Another selling point for a project charter is that it helps executives and organizations in delegating authority and responsibility to a project manager. It encourages project managers and functional managers to work together and help resolve conflicts at the lowest organizational level since specific roles are identified early in the project life cycle. A project charter is a proven technique to

properly initiate your project in preparing for tomorrow's achievements. A project charter is an effective tool that can assist organizations and project managers with delivering projects more successfully. An anonymous proverb sums it up: "The faintest ink is more powerful than the strongest memory."◆

References

1. The Standish Group International, Inc. "The Chaos Report (1994)." West Yarmouth, MA: The Standish Group International, Inc., 1994 <www.standishgroup.com/sample_research/chaos_1994_1.php>.
2. U.S. Department of Justice. "The Federal Bureau of Investigation's Management of the Trilogy Information Technology Modernization Project." Audit Report 05-07. Washington, D.C.: U.S. Department of Justice Office of the Inspector General, Feb. 2005: 36.
3. "Charter." The American Heritage Dictionary, 1976.
4. Project Management Institute. "A Guide to the Project Management Body of Knowledge (PMBOK Guide)." 3rd ed. Newton Square, PA: PMI, Oct. 2004 <www.pmi.org>.

About the Author



Chuck McKeever, PMP, is a project manager with GCI, Inc. He is a retired Army officer and seasoned project manager with over 25 years of experience leading information technology teams in the government, non-profit, and commercial sectors. He has earned the Microsoft Certified Systems Engineer certification and has extensive network design, computer operations, and systems engineering experience. He has a Bachelor of Science in criminal justice from the University of Delaware, a Master of Science in systems management from the University of Southern California, a Master of Arts in telecommunications from George Mason University, and is a certified Project Management Professional.

GCI, Inc.
11800 Sunrise Valley DR
Reston, VA 20191
E-mail: cjm2@g-c-i.net

WEB SITES

The Myers & Briggs Foundation

www.myersbriggs.org

The mission of the Myers & Briggs Foundation is to continue the pioneering work of Katharine Cook Briggs and Isabel Briggs Myers in the field of psychological type, especially the ethical and accurate use of the Myers-Briggs Type Indicator (MBTI) instrument. The purpose of the MBTI personality inventory is to make the theory of psychological types described by C.G. Jung understandable and useful in people's lives. The essence of the theory is that much seemingly random variation in behavior is actually quite orderly and consistent, being due to basic differences in the way individuals prefer to use their perception and judgment.

Effective Communication.org – E-mail Resource Center

www.effectivecommunication.org

The Effective Communication.org – E-mail Resource Center was developed by

Wayne McKinnon to answer many of the questions about using e-mail systems that he encounters when giving presentations throughout the world. The site explains how e-mail communication differs from other forms of communication, and how it can be used most effectively. McKinnon also offers a free newsletter of additional e-mail insights and answers.

National Institute of Standards and Technology

www.nist.gov

The National Institute of Standards and Technology (NIST) is a non-regulatory federal agency within the U.S. Commerce Department's Technology Administration. NIST's mission is to develop and promote measurement, standards, and technology to enhance productivity, facilitate trade, and improve the quality of life. The new technologies that are determining the global winners in the early 21st century – biotechnology, nanotechnology, information technology, and advanced manufacturing – depend on NIST-developed tools.

COMING EVENTS

February 6-9

Components for Military and Space Electronics Conference and Expo
 Los Angeles, CA
www.cti-us.com/ucmsemain.htm

February 13-16

The 5th IEEE International Conference on COTS-Based Software Systems
 Orlando, FL
www.icbss.org/2006

February 14-16

The International Association of Science and Technology for Development Conference on Software Engineering
 Innsbruck, Austria
www.iasted.org/conferences/2006/innsbruck/se.htm

February 15-17

5th International Conference on Electronics, Hardware, Wireless, and Optical Communications
 Madrid, Spain
www.worldses.org/conferences/2006/spain/ehac/index.html

March 6-9

Software Engineering Process Group (SEPG) 2006
 Nashville, TN
www.sei.cmu.edu/sepj

March 13-15

International Symposium on Secure Software Engineering
 Washington, D.C.
www.jmu.edu/iiia/issse/

March 15-16

International Conference on Information Warfare and Security
 Princess Anne, MD
<http://academic-conferences.org/iciw/iciw2006/iciw06-home.htm>

May 1-4

2006 Systems and Software Technology Conference



Salt Lake City, UT
www.stc-online.org