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Project Charter

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Glossary

This glossary defines key terms used in this document. Although some of the terms will have slightly different definitions outside of this project, this glossary defines the meaning within this initiative.

Assumption – An item taken to be factual even though that fact has not been confirmed. Wherever possible the accuracy of assumptions is validated during the project

Constraint – An unchangeable condition that impacts the project.

Contingency – An activity, budget or time period that is held in reserve in order to minimise the impact that a risk has on the project if that risk is realised

Major Stakeholder – One of the key interested parties and decision makers in the project.

Mitigation – An activity that is undertaken to minimise the impact and / or the likelihood of occurrence of an adverse risk or to maximise the impact and / or the likelihood of occurrence of a positive risk

Project Charter – This document. The document that authorises the project and sets out the framework for what is to be done and how it is to be managed

Project Manager – The person responsible for the management of the execution of all work items.

Required End State – The definition of what constitutes a completed project

Risk – An uncertainty that may impact the project in either a positive or negative manner if it occurs

Scope – The sum of the changes to be made in order to achieve the Required End State

Steering Committee – The group of people responsible for making major decisions on the project.

1 Project Overview

1.1 Introduction

The introduction provides a brief summary of what the project is designed to achieve, along with some background information on why the project is being done – the business drivers, the opportunity to be exploited, costs to be reduced etc. This should be just a couple of paragraphs and no more than half a page.

It should be noted here that I am assuming that the project charter is the first deliverable of the initiative – the Project Management Institute suggest that there isn't even a project until the charter is complete. I will assume that the project manager will author the document as their first priority and will leverage all of the major stakeholders to develop this document.

1.2 Major Stakeholders

It is important to identify the key stakeholders on the project early on, as these will be the people who make the decisions about the project. Additionally, they need to make commitments which are set out later in the charter. Naming the major stakeholders early in the document makes it clear to all how important they are.

You won't necessarily name all stakeholders, in fact this early in the project you may not know them all, this section is focused simply on the major ones who will ultimately determine the success of the project.

1.3 Document Purpose

This document is the single most important artefact in the management of this initiative. The project charter will capture the following key items:

- The desired end state. This term is generic enough to be applied to all projects. You may prefer terms like success criteria, and that's fine, I prefer desired end state simply because some projects (business transformations for example) cannot always easily be defined in terms of specific tangible criteria.
- The project scope. This will build on the desired end state by defining what work will be done in each of the major categories, and just as importantly, what work will not be done as part of this project.
- Assumptions, constraints and risks. The charter will define the assumptions that are being made at the project launch that will need to be tested, validated and / or accepted throughout the project. The project constraints will be defined, and the initial strategic risks will be established.

- Communications and structure. The management structure for the project (project manager, stakeholders, steering committee, etc) will be defined and the methods and frequency of communications between them will be defined.
- Roles and responsibilities. The project charter will set out the roles, responsibilities and expectations among the major stakeholders on this project. This will include both personal commitments and commitments on behalf of the teams that they represent.

A critical aspect of this document will be the sign-off by the major stakeholders on the project. By providing their signature, the stakeholders are confirming their agreement with the contents of the project charter and are agreeing to the commitments outlined. Every company has a different way of formalising approval, but please don't overlook this step – get a signature on a piece of paper – nothing focuses the mind of a stakeholder more than asking them to commit pen to paper!

2 Project End State and Scope

2.1 Required End State

Regardless of whether you use this term or a term like success criteria, the theory is the same. Outline what it is that will establish that the project will be a success. At this time of the project these are likely to be very high level – another reason that I prefer to describe the end state rather than state specific criteria. There is nothing wrong with that as long as there is enough specificity to be meaningful. For example if you are looking to lower production costs, defined by bottom line dollars then you may be able to describe an end state along the lines of “once all changes implemented as part of this initiative are fully operational overall production costs should have been reduced by between 5 and 8%”.

Later on you will need to be more specific and potentially more granular – targets for specific functions for example, but that may not be possible this early. What is not acceptable is a statement like “we are doing this project to reduce production costs” – that isn't an end state, it's an avoidance!

As a general rule think about the acronym SMART – is your end state Specific, Measurable, Achievable, Realistic and Time bound. If it is then you are probably on the right track.

In larger projects you may want to break the desired end state out into a number of different sub headings to help overall understanding.

2.2 Project Scope

The project scope details the work to be taken in order to achieve the end state. This scope will ultimately be the basis of the project plan that the project manager will

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develop with the team. It is just as important to explicitly state what is not included in scope as it is to state what the project will deliver. One of the largest causes of scope creep is the end customer's assumption that an item was included in scope because it wasn't specifically excluded and because the scope statements weren't specific enough.

The charter is produced at the start of the project and there may be some details that are unknown. If that is the case then explicitly state as part of the scope what is known and state the process for refining / clarifying the scope as more information becomes available. Ultimately the end state is achieved by delivering all of the scope items.

I like the table format below as it is clear and concise. If you need more space then insert the table as a separate page in landscape format. Remember the key is to make what is in and out of scope as clear as possible. The work area column will group the scope items into various categories that reflect the major elements of the project – systems, training, process, etc.

Work Area	In Scope	Out of Scope

2.2.1 Change Management

During the course of the project there will be a number of requests to modify the scope that is agreed to in this charter. This is an important function to ensure that what is finally delivered is the best solution to meet the required end state. Change management is not intended to prevent these changes from occurring, rather it will ensure that the changes proposed are the correct ones and that the impact of the change is understood and allowed for.

The change management process will:

- Provide an overview of the requested change
- Provide an explanation of the reason for the request
- Include an analysis of the impact of the change (time, cost and other)
- Include a recommendation to the major stakeholders for the course of action that should be taken

No change should be executed unless approved by the stakeholders.

3 Assumptions

In order to facilitate planning of this project it is necessary to make a number of assumptions. In all cases these assumptions are based on the knowledge of the stakeholders engaged in the development of the project charter. In some cases these assumptions will need to remain throughout the duration of the project, but it should be expected that the majority will be validated or adjusted during the detailed planning and execution phases, and this is something that the project manager should control as part of the project plans and / or action logs with assigned owners and completion dates.

- Assumptions can be listed as simple bullet points, just make sure that they are comprehensive enough to allow all readers to understand what is being assumed.

4 Constraints

The strategic priorities, organisational structure and environmental factors will impose constraints on this project. The following list of items have been identified as limiting factors on the project that cannot be subject to change

- Again, a simple bullet point list is sufficient as long as the list is clear and concise.

5 Risks

During the detailed planning stages of the project a comprehensive risk identification, analysis and management exercise should be undertaken. It is important to involve the project teams in this exercise as they will have the best views of the risks, mitigation and contingency.

However the major stakeholders that help define the charter will have a view of some strategic risks that need to be addressed. At this point it is sufficient to list the risks and include the mitigation and contingency as part of the risk exercise with the team.

- Keep risks here as high level, strategic risks such as regulatory, company wide, competitive, etc

6 Communication Strategy

Communication is critical to the success of every project. Whether the project is small and self contained or affects every staff member, communication is vital to success. If you are also including 3rd party partners or customers in the project as well then the importance of communication becomes even more critical.

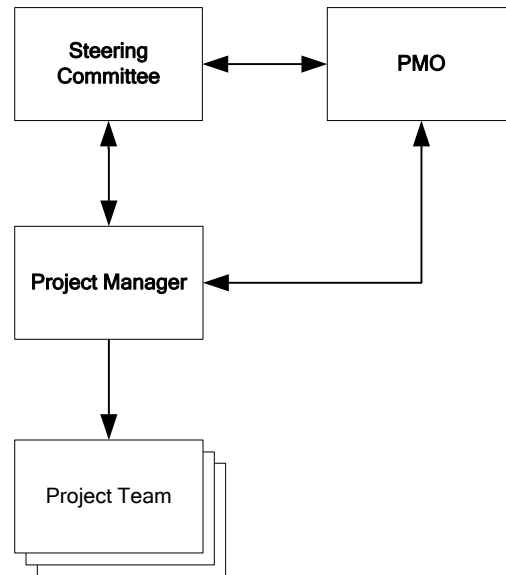
This section should be used to identify all of the major mechanisms for communications. If information is available this early in the initiative then you should also include details of the frequency of the regular communication mechanisms (status reports, meetings, etc) as well as the people involved. If this information is not complete at the time of the charter it can be excluded. The following are some of the communication mechanisms that you should include, you may have others specific to the project but be very careful before you remove any of these.

- Official project documents as required. The charter is the first example. Documents will be reviewed and approved by stakeholders and other relevant individuals (as identified in each document) and will be made available to all interested parties once approved
- Formal milestone reviews as needed – formal presentation of status to stakeholders at key points of the project to form a ‘gating approval’ to proceed with next phase and / or work area. Each review will have defined approval criteria which need to be met to proceed with next phase.
- Regular status report - summary information about the project for distribution to all project stakeholders. This will be provided in soft copy office document format on a frequency to be determined with stakeholders. The contents will be confirmed, but is likely to include:
 - Traffic light reporting against major milestones, and for overall project
 - Summary of actions planned in reporting period and actions completed in reporting period, with explanation of variances
 - Actions planned for upcoming reporting period
 - Current issues
 - Current risks
 - Other information as needed
- Regular status meeting, likely weekly – meeting between the project manager, core team members and key contributors to in progress work packages / phases. Agenda to be provided ahead of time, minutes to be provided afterwards to invitees and other interested stakeholders. Depending on the work underway at any given time, parallel meetings may occur for different work areas
- Informal communications. Staff responsible for all in progress and soon to start tasks will be in regular communication with the project manager in order to identify and address any concerns as soon as they appear. Additionally, all staff members will be encouraged to communicate any problems as soon as they appear. Project management will focus on the creation of an environment that encourages open, two way communication focused on problem resolution

7 Project Structure

I like the use of a graphical demonstration of the project structure as it is the simplest way of showing the relationships between the major roles. It also sets out at the start of the project where everyone fits within the structure and can avoid confusion and potential political issues later on.

It should be noted however that the project structure is not the same as an organisation chart. Projects are typically matrix management structures (though they don't have to be) and when drawing up the structure the project manager should be aware of the direct reporting lines that also exist



This is obviously a very simple example; in all likelihood your structure will be more complex. I also find it helpful to put the names of the individuals in the boxes to avoid any possible confusion.

8 Steering Committee and Stakeholder Commitments

8.1 Steering Committee

In many cases the steering committee will be made up of the major stakeholders, though there may be additional participants – a customer representative, a member of the PMO, etc. I could make the argument that those people should be stakeholders anyway, but I recognise that not all companies are structured that way. Regardless of whether the steering committee is simply the collective group of stakeholders, or whether there are variations, the principle is the same.

By identifying the group as a single committee you are identifying the fact that they need to work together in order to drive the decisions of the project. This builds from the identification of the stakeholders at the start of the project and takes it one stage further, in readiness for the next section on the stakeholder commitments.

- Identify the main responsibilities of the committee, again using the simple bullet point approach. Typical responsibilities will be approvals, assistance securing resources, etc

8.2 Stakeholder Commitments

By documenting the major stakeholder commitments in the charter you are explicitly stating what they have committed to – a commitment that they confirm when formally signing off. I think that this is vital because you don't want to have to figure out how the stakeholders are going to be working together when important decisions are waiting and the project's critical path is being impacted by every day's delay. I cannot possibly provide a comprehensive list of these commitments, but consider the items below as a starting point:

- All decisions require consensus by all stakeholders. For the purpose of this project consensus is defined as every stakeholder being able to say “I can support the decision” – this does not necessarily imply that every stakeholder has to 100% agree with every decision
- All decisions, sign-offs, etc must be made within 3 business days of submission. Similarly if a stakeholder is unable to provide sign-off or approval this must be communicated within 3 business days together with an explanation and guidance on what would allow approval to be provided
- If a stakeholder is unavailable they will provide an alternate or agree to the remaining stakeholders making decisions on their behalf
- 3 stakeholders are required for a quorum

9 Roles & Responsibilities / RASCI Chart

The chart below identifies the roles that will be played by the main groups on this project. As the project structure becomes clearer, this chart will be updated to reflect individuals rather than generic roles, and will also identify any exceptions for specific work areas. Additionally a greater level of detail will be provided through the addition of additional tasks

There are five different functions in the RASCI chart. They are:

R – Responsible – The role(s) that is expected to complete the work

A – Accountable – The role that is expected to ensure that the work is completed (escalation point)

S – Sign-Off – The role(s) that is expected to approve the work

C – Consulted – The role(s) that is consulted on / contributes to the completion of the work

I – Informed – The role(s) that receives the output of the work and / or receives status reports on the progress of the work

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	Roles / Responsibilities				
	Steering Committee	Project Manager	Individual Stakeholder	Project Team	Customer
Project charter including end state and scope	A	R	C	I	I
Project management and control	A	R	C	C	C
Project communication	A, I	R		C, I	C, I
Project planning	A	R	C	C	C
Resource allocation		A	R	C	I
Problem identification and analysis	I	A		R	C
Problem resolution	A	R		C	C

Some key points on a RASCI chart:

- Change the columns to reflect what works for you, and use rows that make sense – these are very generic examples, but you can make it as detailed as you wish. My only guidance here is to make it meaningful – no one is going to read a 200 row RASCI chart
- There aren't too many rules on the roles that go into a RASCI chart, but try and keep the following in mind:
 - Every task should have a role that is identified as accountable, but only one
 - Every task should have a role that is identified as responsible, and there may be more than one role responsible
 - You shouldn't have the same role identified as accountable and responsible (look at the definitions)