

Project Management

Lecture 5 – Project Charter

Dr. Andre Samuel

Previous Lecture

- Stakeholder Management:
 - Identifying stakeholders
 - Stakeholder Analysis
 - Managing Expectations

In this Lecture

- Project Charter:
 - Purpose
 - Main Element
 - Template

Purpose of Project Charter

- Within the Initiating processes:
 - the initial scope is defined and
 - initial financial resources are committed.
 - Internal and external stakeholders are identified.
 - If not already assigned, the project manager will be selected.
- This information is captured in the project charter
- **The Project Charter document formally authorizes the existence of a project** and provides the project manager with the authority to apply organizational resources to project activities.

Project charter formally initiates the project

- The project charter **establishes a partnership** between the performing and requesting organizations.
- In the case of external projects, a formal contract is typically the preferred way to establish an agreement.
- A **project charter is still used to establish internal agreements within an organization** to assure proper delivery under the contract.

Typical Project Charter Elements

- **Title:**

- A descriptive title of the project should be at the top of your project charter

- **Project Manager:**

- Name of person or organization
- Contact information

- **Brief Description:**

- Provide information that explains how the project came to be.
- Include a few sentences that explain why you want to do this project and what you hope to accomplish.
- Include the business need it will fulfill and how this project is in line with existing company goals or ongoing work happening within the organization.

- **Project Objectives/Scope:**

- This is a high-level statement of what you hope to accomplish with this project.
- Deliverables, What is being produced by the project?
- Provide an overview of services, products, or results that you plan to develop.
- For example, the objective might be to create a new web payment app. The deliverables would be the key features.
- It can also be useful to include what is “out of scope” for this project.

- **Milestones:**

- An overview of the project schedule
- Key milestones date for deliverables

- **Budget:**

- How much is the project going to cost in terms of finances, human resources, and materials?
- Budget can also specify the source of funding.

- **Roles and Responsibilities:**

- This covers who is going to do what and identifies the responsibilities of the team.

- **Stakeholders:**

- The key stakeholders should be outlined

- **Constraints, Assumptions, Dependencies, and Risks:**

- Create a section for known risks that could affect the project's outcome.

- Include existing constraints and dependencies that could change the project's scope.

- **Project Approval:**

- This is the “sign on the dotted line” section.

- Depending on the type of project, it typically includes a signature space for the project sponsor, a client, and project manager.

Example of Simple Project Charter

Project Title: Information Technology (IT) Upgrade Project

Project Start Date: March 4, 2016 **Projected Finish Date:** December 4, 2016

Project Manager: Kim Willis, Telephone 555 -2784, email kim@willis.com

Project Objectives:

Upgrade hardware and software for all employees (approximately 2,000) within 9 months based on new corporate standards. See attached sheet describing the new standards. Upgrades may affect servers and midrange computers as well as network hardware and software. Budgeted £1,000,000 for hardware and software costs and £500,000 for total labour costs.

Approach:

- Update the IT inventory database to determine upgrade needs.
- Develop detailed cost estimate for project and report to CIO.
- Issue a request for quotes to obtain hardware and software.
- Use internal staff as much as possible to do the planning, analysis, and installation.

Project name: OrangeDelivery App			
Project description:	A mobile application for ordering foodstuffs and other products from OrangeSupermarket stores. The app will be available onGoogle Play and App Store.		
Project objectives:	Facilitate ordering foodstuff and other products published on OrangeSupermarket store website via a mobile phone.		
Project is considered successful when:	<ol style="list-style-type: none"> 1. The app has a high number of downloads on Google Play and App Store. 2. The app has ratings of 4-5 stars on Google Play and App Store and more than 10 positive reviews on each platform. 3. The number of OrangeSupermarket store customers grew by 10%. 		
Project participants:	Title:	Name:	
	Investor Project manager Finance manager Team members: Front-end developer Back-end developer QA engineer	Jake McKinsey John Smith Anna Murry James Thomson Andrew Michaelson Kirsty Watts	
Available resources:	Budget: \$3,000 Testing environment: Apple iPhone 11 Pro; Xiaomi Redmi Note 7		
Milestones:	Status:	Due:	Deadline:
	<ol style="list-style-type: none"> 1. Build 1.0 Main functions presentation 2. Build 2.0 Adding new features after beta-testing 	1/03/2020 1/04/2020	3/03/2020 4/04/2020
Potential risks:	<ol style="list-style-type: none"> 1. The team may not meet deadlines due to adding unplanned in the specification features. 2. The team may run out of the budget due to extending development or testing time. 		
Approval:	Title and name:		Date:
	Investor: John Smith signature_____ Project manager: Ivan Johnson signature_____ Finance manager: Anna Murry signature_____		1/02/2020

Project Charter Example

Project Name	IVR Project		
Project Sponsor	Dave Sponsor	Project Manager	Alice Michaels
Date of Project Approval	8th Mar 2015	Last Revision Date	17th Apr 2015
Project Description	To introduce a new automated telephone system to ensure all calls get answered.		
Scope	A IVR system will be introduced to assist the sales team in taking orders, and also to ensure no orders are missed. The system is only to help the sales team at this stage, other teams such as support are out of scope.		
Business Case	To increase orders per sales team member by 20% from current levels. To reduced unhandled calls to 0%. To increase customer satisfaction by 10 points.		
Constraints (in priority order)	Time	4 months	
	Budget	4 developers + 1 sales team rep	
	Scope	TBD	
	Quality	Prioritize time & budget over quality	
Project Deliverables	An IVS system to assist the sales team + training for the sales team + support during the first operational month of the system.		
Benefits (measurable results)	See KPIs below + business case above		
	KPI	Baseline	Goal
	Orders per sales person pd	20	24
	Unhandled calls pd	11	0
	Customer satisfaction	17	27
Steering Committee	CEO	Project Team	Sales Rep
	Finance Director		4x developers TBD
	Sales Director		
Key Stateholders	Name	Success Criteria	
Risks	No team members have any previous experience of IVR setup, so there is a chance we've hugely underestimated the work involved.		

Team Discussion

- Using the Library Project Brief:
 - Develop a Simple Project Charter
 - One member of the group will be required to Share their screen and present the Charter