Project Charter

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Abstract

A project charter explains what the project is all about and how the project will be approached. It also registers the names of all the shareholders. Project charter is a crucial part of the project management inception and the phases of the project planning. Additionally, company will refer to the project charter during the whole project life.

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Definition of the Project Charter

It can be defined as a consolidated, single source of knowledge regarding the project regarding the planning and initiation. Fundamentally, the project charter explains the project boundaries, no matter what kind of project management mode is being utilized. Project charter is much more than an effectual tool of planning. It serves as a navigator, escorting the project through the achievements that will mark the progress of the project. Furthermore, project charter also serves as an anchor, holding the project towards its goals. The actual project charter will not be modified throughout the life cycle of the project. Once the project charter is being approved by the shareholders, one cannot change or modify the actual charter without the consensus of all the involved parties (Schwalbe, 2008).

A lot of projects initiate with a top-down outlook. Even if the project manger prefers to function backward from the absolute deadline, he must initiate his charter from the upmost.

The Significance of Possessing a Project Charter

A project charter is a document that approves a project formally. The project manager does not form a project charter. Instead, the sponsor issues it in order to authorize the project manager with the power to initiate the project and acquire the resources for the activities of the project. At minimum the project must incorporate the project's business need which connects the project to the overall strategy of the organization's shareholders and their initial needs. It should also include the quantifiable criteria or the objectives that should be fulfilled for the project to be regarded as successful. Project charter must also

contain the explanation of what is in the range, besides the definition of out of range for the project. Finally, the assumptions and constraints of the project should also be defined in the project charter.

All of the above-defined things sounds significant enough, but is it actually essential to have one? And what will be the circumstances if a certain project did not possess a project charter?

For instance, a manager assigns a critical and a high-profile project to a newly appointed employee. The project does not possess a project charter. The manager summarily directs the employee to merely get started and go ahead and simply get the project done. As the employee is new to the organization, he is determined to leave a good impression and thus makes the decision to advance without the project charter (Heldman, 2011).

As imagined, the new employee makes an impact. As he walks out of the very first conference held with the project team, he was taken aside by the business partner and the partner says that in fact it was a really good conference, but he simply wants to ask that what gives the employee the power to tell others what to do?

This is a problematic situation to manage. And the answer of the employee may diminish any sort of opportunities he will possess for success and his capability to win over and get approval from the group. So it's best to avoid such sticky circumstances before they occur.

Not possessing a project charter hampers the project manager to play his role successfully, hence affecting the utter project success. Thus,

projects must not initiate without the project charters.

If a manager finds himself in a situation where he sees that there is no project charter, then he should ask himself that why is he even working on this project? If organization is giving importance to the project, then the effort and time must be put into forming this document to explain the overall priority and scope of the project. Furthermore, project charter authorizes the project manager in his role and systematically empowers the manager to initiate the activities of the project and acquire the resources to work on and support the activities of the project.

Hence it is evident that it has to be ensured that a project charter is present. Otherwise, the risk of individuals is being run not knowing what the role of the person is and who actually he is (Dow, PMP, & Taylor, 2010).

The Intend of Project Charters

The most evident and first intend of project charter is that it makes sure that all the shareholders of the project formally accord on the definition of the project and have noted down the definition in script. The charter provides protection to the project team in resistance to the unrestrained scope creep and several other calamities awaiting the team of the project that initiate their work with merely an assumed and vague understanding of the scope of the project and other necessities.

A project manager wants to incorporate all the shareholders of the project immediately in forming the project charter. The customer will ideally involve directly in evolving the project charter. Either the customer takes part in a direct manner or not, a project manager is reasonable enough to ask each and every shareholder of the project and the customer to sign the project charter to demonstrate their individual commitment and acceptance to the project definition (Pmp & Knapp, 2010).

It can be said that if the customer will not get involved with the team in explaining the project, then the project should be defined by the team and put the accountability on the customer whether to undertake their definition or reconsider it. If the customer determines later to expand the scope of the project or change other requirements,

then the customer and the team of the project should go through a process of formal charter reconsideration, during which all the constraints and the requirements of the project are open to renegotiation, discussion and possible alterations.

The project teams and managers in the construction industry have absorbed the significance of this lesson hundreds of years ago. The registered agreement between the contractor and the customer openly defines the scope of the project founded on specifications and plans. If the client asks for an extra feature, the customer and the contractor should negotiate the extra fee for the expansion in the scope of the project as well as for other reconsiderations to the agreement, like the modifications to the scheduled completion time of the project. In effect, an alteration order on a project of construction is reconsideration to the project charter.

There exist two other significant purposes of the project charter. First, the developing process of the charter is as essential as the evidence itself. The project charter process of development is a marvelous chance coming as it does at the first phase of a project to incorporate the fresh group in teamwork, which guides the way towards the evolution of a real team. As a result of the immediate participation in the process of chartering, the members of the team initiate to take project ownership; that is, they started to consider the project as their personal project, instead of considering it as somebody else's project that the team members would like to show as little connection as possible. Hence the process of chartering assists in forming a real team and to form project commitment (Verzuh, 2011).

Second, it also serves as a consistent and an effectual way of communicating the definition of the project to individuals who were not included in the deliberations of charter development, like individuals who lately join the project team, contractors and several other resources which will be employed on the project, or the functional department managers from which the members of the team are drawn.

Steps in Creating Project Charters

In the life cycle of the project, the greatest crucial step is the presence of the project charter. In

its absence, the project is similar as a ship without a captain. There is nothing to lead the way in the precise direction.

The following steps will help in determining the project charter.

Know the Vision of the Project

The foremost measure taken when deciding the project charter is to recognize the vision of the project. The vision encases the project purpose and is the fixed ultimate objective of the team of the project.

The objectives of the project should be identified. Then supported on the project vision, 3 to 5 targets to be achieved by the project must be listed. Every objective must be time-bound, real, attainable, great and proper.

The scope of the projected should be determined. With an excellent prospect of the targets and vision, it's time to decide the scope of the project. The project's prescribed edges are specified by the scope by recognizing how the business will be altered or changed by the delivery of the project. After it, it is needed to distinguish every single deliverable that will be created by the project (McGilvray, 2010).

Describe the System of the Project

The following step is to recognize how the recording of the reporting lines, responsibilities, functions, stakeholders and clients will structure the project.

Customers: The project customers should be determined first. A client is an individual or a person that is required for getting the results when the project is attained.

Stakeholders: After it the stakeholders of the project must be determined. A stakeholder is an entity or individual outside or within the project with a particular major stake or involvement in the project. For instance, a CEO will be involved in either the project assists to achieve the vision of the company and the financial controller will be concerned with the project price.

Roles: The major roles required in project delivery should now be listed. Instances of roles specify the project manager, project board and the project

sponsor. After it, each of the significant obligations of every role known should be summed up.

Structure: Once a fine survey of the essential functions for tackling the project is being received, one can explain the lines of reporting between those objectives within an organization chart of the project.

Arrange the Implementation Approach

Now the project manger has got a solid and firm definition of what is needed by the project to be attained and how the project will be arranged to attain it. The following step is to differentiate the approach of implementation as follows.

Plan of Implementation: To provide the stakeholders and the client with the confidence that the execution of the project has been well balanced through, form a plan of implementation naming the timeframes, activities and phases needed in project undertaking.

Milestones: Furthermore, various essential milestones should be listed and it should be explained that why they are important to the project. Typically, a milestone is a major event of the project, like the attainment of a crucial deliverable.

Dependencies: Few of the major dependencies and their importance to the project should be named. A dependency is explained as an action that is likely to affect the project during its cycle of life.

Resource plan: A plan which summarizes the funds incorporated in project undertaking by listing the materials, equipment and labor involved should be developed. Then the required financial resources should be budgeted.

List the troubles and dangers: The final step required to finish the project charter is to describe few of the project constraints, premises, issues and dangers associated with the project (Dalal, 2011).

Example of Project Charter

Proper formation of a project charter can assist in ensuring the project success, and similarly, taking shortcuts in the formation of this essential document can result in subjecting the project to various unnecessary delays and pitfalls.

Every single project charter must incorporate at least 3 fundamental parts:

Section of the Project Overview

This provides an overview of the formal name of the project, its history and background, its basic needs, its scope, objectives, sponsorship and its terminologies.

Section of the Project Approach

A project charter must also incorporate a section of project approach, which imparts a high level analysis of when and how the project will be finished.

Section of the Project Approval

This section is the easiest section to assemble, but it is also the most crucial regarding the eventual success of the project. This section must record all the roles and names of the fundamental shareholders including their signatures, signifying that each of the shareholders is contended with the details incorporated in the project charter.

Relying upon the methodology of the project management being utilized and the project nature, extra sections may also be needed.

Conclusion

Hence in the end, it should be concluded that the fundamental project charter can be adjusted to fit any company and a collection of projects, incorporating the projects that are highly driven by technology. The flow and ease of project attainment is directly because of the care taken with the development of the project charter. Literally, an excellent project charter keeps every single individual involved in any manner on the similar page (Heldman, Project Management JumpStart, 2011).

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