A Project Sponsor's Warp-Speed Guide:
Improving project performance

Appendix F – Project charter table of contents

This appendix contains a table of contents for project charters. You can compare this table of contents to the one in the project charter developed for your project to help you confirm that your project charter is reasonably complete.

The project manager prepares the project charter in the Feasibility phase with input from the project sponsor and business analysts. The purpose of the project charter is to:

1. Describe the project.

2. Help the project sponsor and project manager sell the project within the organization.

3. Build consensus among stakeholders that the project should be resourced, funded and proceed.

4. Be the basis for seeking project approval from senior management.

5. Define the project scope baseline the project manager can use to assist with scope management[1].

> The size of your project will affect the size of the project charter. Large projects will produce a lengthy project charter, while small projects only require a few simple sentences under each heading below.

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[1] The project manager always takes the view that unless a discussion topic is explicitly and comprehensively described in the project charter, that topic is out of scope and will be documented as such for future reference.

Document change control

This section lists the versions of the project charter with a brief statement of the changes made to create each version.

Project authorization

This section contains the signature of the project sponsor to formally authorize the project manager to plan, execute, and control the project.

After the project sponsor and steering committee approve the project charter, the project sponsor signs the project authorization page.

Executive Summary

This section summarizes the content of the project charter for presentation to senior management.

The executive summary is an overview of the project charter, not an overview of the project. A few sentences describe the project within the executive summary.

Project introduction

This section introduces the project and the content of the project charter.

Project background

This section describes the challenge or opportunity that triggered the decision to perform enough initial opportunity analysis and project definition work to complete the project charter.

Project description

In business terms, this section describes the following:

1. Product that the project will deliver.

2. Overall timing.

3. Summary budget.

4. Expectations that stakeholders have.

Project vision, goal, and objectives

This section contains the project vision statement, goal statement, and multiple supporting

objective statements.

Project scope

This section lists the major elements of the project scope. It also contains a list of out-of-scope

items to remind stakeholders of what is not included in the project. On most projects, some

potential items near the defined scope are not included.

Project approach

This section describes how the organization will approach the project. Examples include:

1. Contracting with vendors[2] or subcontractors vs. employees to perform much of the work.

2. Using partners vs. relying on in-house capabilities.

3. Financing the project with equity vs. debt.

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[2] Projects where much or even all the planned work is outsourced to one or more vendors, vendor project managers take on a prominent role in addition to the internal project manager, The dynamics of this scenario create more complex relationships between the project sponsor and the multiple project managers.

4. Engaging expert consultants from professional service organizations vs. developing employees.

5. Relying on research and development vs. licensing of patents.

6. Building new facilities vs. renovating existing facilities.

7. Building vs. leasing new facilities.

8. Developing custom software vs. licensing software packages or contracting for Software as a Service (SaaS).

9. Insourcing operation of the project product vs. outsourcing operation to a vendor.

10. Working onsite in contiguous space vs. working geographically dispersed.

This section may include a discussion of alternative approaches considered and why they were not selected.

State the planned approach to project execution explicitly. The project execution alternatives are:

1. Waterfall – a sequential project execution process that proceeds through all project phases. Each phase is completed and accepted before the next phase begins. The name is derived from the visual appearance of the Gantt chart for the project. This traditional alternative is often the lowest cost and risk. See the previous example of a Gantt chart.

2. Fast track – a parallel project execution process that proceeds through all project phases. However, phases are not yet complete when the next phase begins. This alternative's schedule compression advantage is achieving an earlier completion date. That's attractive

to many organizations. This alternative forces the organization to accept the considerable risk of rework.

3. Agile – a series of short execution phases with frequent reprioritization and adaptation of requirements. This approach is widely used in software development projects but does not apply to many engineering and construction projects. This alternative addresses the project's most critical requirements as early as possible. The goal is to reach a minimum viable product (MVP[3]) that can be used in production as soon as possible. This alternative makes final cost and schedule prediction difficult.

Project benefits

This section lists tangible and intangible benefits the project's product will deliver to the organization.

> If the team can't articulate significant tangible benefits, take that as a sign it's time to cut and run. Cancel the project, and don't look back! Be sure to record why you cancelled this project. Someone is bound to bring it up again in a year.

Project organization

This section lists the names of the following:

1. The project sponsor and project manager.

2. The individuals who will participate on the project steering committee.

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[3] A minimum viable product (MVP) includes just enough features to be usable by early customers who can then provide feedback about features and deficiencies to the project team that is continuing product development.

3. Stakeholder groups or departments.

4. Any known vendor and subcontractor staff.

This section describes the roles and responsibilities of:

1. Team members with names and titles.

2. Individuals from the client organization who will participate in the team.

3. Who signs off on the completed project. In most cases, this will be you as the project sponsor.

This section also illustrates the project organization structure as a chart.

> Too many part-timers are the number one cause of project teams that don't perform. Part-timers tend to delay projects by not being available when needed. Part-timers distract others by asking about topics discussed in meetings they missed. Move part-timers on the team to full-time or replace them.

Project management plan

This section is an outline of the contemplated project management plan.

Once the project is approved, the team will develop the complete project management plan.

See Appendix G – Project management plan table of contents for a description of what this document will contain.

> Estimating projects using duration can be hazardous when making schedule commitments to management. Duration also tells you little about effort or cost.

Estimating effort at the task level produces the most reliable results. If that's not possible within

the available time, estimate effort at the deliverable level.

Understanding duration only helps with scheduling in specific and limited situations if your

project involves lots of idle time on the critical path, like waiting for concrete to set or

determining the effects of a new pharmaceutical on test subjects.

Project budget

This section contains a high-level budget table.

Let's talk about single-point estimates. Unfortunately, most project management and

budgeting software packages only accept one amount as an estimate. The reality is

that all estimates fall within a range. We compensate for this limitation with a

contingency amount in the budget, the effort estimate and the schedule.

Project schedule

This section contains a high-level Gantt chart. The Gantt chart often shows the significant

milestones in the project schedule.

The main reasons a schedule forecast is challenging to determine early in the project include the following:

1. Lack of scope definition.

2. Uncertainty about the effort required to produce the significant deliverables.

3. The intangible nature of some deliverables, such as software, end-user adoption or intellectual property, makes them difficult to describe quantitatively.

4. Risk of team turnover, weather events, or regulatory uncertainty.

5. Risk of technology immaturity on high-tech projects.

6. Underestimating the complexity of interfaces with other software systems or physical infrastructure.

Be careful about making commitments to management about cost and schedule at the beginning of projects. Instead, indicate that some initial investigative work is needed before the team can produce a plan and a budget with reasonable confidence.

Project dependencies

This section describes how the project is:

1. Dependent on other projects that must complete first.

2. A prerequisite to other projects starting.

Project constraints

This section lists constraints in the business environment that constrain the execution of the project. See section 19 for examples.

Project assumptions

This section lists assumptions about the project. Long lists of assumptions indicate that the project team planned the project in considerable detail. Assumptions improve understanding of the project context to better comprehend the goal, objectives, and scope.

High-level project risks

This section lists project risks. Earlier in the book, the risk identification topic lists specific risk categories.

Project success factors

This section lists project factors that will contribute materially to the project's success.

 In a public sector organization, you may be stuck with various onerous procurement rules based on cultural, legal, or regulatory requirements. Navigating this process successfully is often a critical success factor. Ensure that you've planned for significant procurement effort, lead time and elapsed time as you develop your project schedule to avoid frustrations and the appearance of a late project due to the long procurement timeline.

Unique requirements

This section lists unique skills, resources, services, or subcontractors required to produce the project's product.

Avoid creating detail in the project charter that you'll develop later in the project management plan. The content under the headings shown in the project charter should be short, meaning under one page. Typically, little analysis has been conducted to produce more detail at the beginning of a project.