

# Project Management

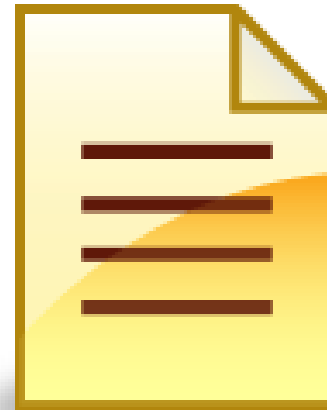
## Topic 3.2

### Project Charter



# Project Charter

- Formally authorizes a project or phase
- Documents initial requirements to satisfy stakeholder needs and expectations
- Ideally PM participates in its development
- Gives the PM authority to apply resources to project activities



# Charter Contents

- **Mission** – Includes purpose/justification
- **Goals** – Measurable objectives
- **Scope** – Description of Project
- **Acceptance Criteria**
- **Summary Budget**
- **Summary Milestone Schedule**
- **Major Risks** – Identification of High Risks
- **Sponsor & PM responsibility & authority**

# Charter Inputs

- Business need
- Business relationship to the strategic plan
- Business case justification
- Contract
- Enterprise environmental factors
  - (Industry stds, org infrastructure, market)
- Organizational Assets
  - (Org stds, templates, lessons learned)

# Charter Development

- **Involves collecting information** from
  - Customers and sponsors
  - Other stakeholders
  - Professional and technical resources
  - Consultants
  - Other companies and departments
- **Applying expert judgment** to the information used to generate the charter

# Goals Must Be SMART\*

- S** – Specific (Simple, Significant)
- M** – Measureable
- A** – Aggressive/Achievable
- R** – Realistic/Reachable (Reasonable Number)
- T** – Time Based

\*Kerzner 2006, pg 290

# 3.2.1 Team Exercise



## Project Charter

Learn by Doing Project Management  
Pages 52-53

# Project Charter Added Considerations

- Ensure each goal represents a major facet of the project
- Keep the number of goals manageable
- Ensure both cost and timing constraints are clearly identified
- Make Mission/Goal pocket cards permanent, visible, and easily communicated.



# Laminated Pocket Card Examples

\*\*\*\*\*  
 \*General Motors \* Automatic Feed Company\*  
 \*Muller Weingarten \* High Production Technology\*  
 \*\*\*\*\*

**Global Progressive Line**

**MISSION STATEMENT**

Provide globally common progressive press systems that meet or exceed GM, Vendor and Teams' expectations. Success will be achieved by using advanced cost effective technology, strategic teams, and communication that fosters mutual trust.

**GOALS**

- ◆ **SAFETY:**
  - \* Zero lost time.
- ◆ **TIMING:**
  - \* Create and manage a schedule to meet the following target dates:
    - 1) P5500 February 1, 2000 FAT
    - 2) P5500 January 4, 2000 POE
    - 3) P4000 February 28, 2000 POE
    - 4) P4000 April 25, 2000 POE
- ◆ **COST:**
  - \* Avoid scope and price changes.
- ◆ **LEADERSHIP:**
  - \* Utilize teams in:
    - Leadership
    - Engineering
    - Installation
- ◆ **ENGINEERING:**
  - \* Meet performance benchmarks.
- ◆ **COMMUNICATION:**
  - \* Utilize effective and targeted communication systems and procedures.
- ◆ **TRAINING:**
  - \* Provide timely and cost effective training.

\*\*\*\*\*

General Motors \* IHI \* Rockwell Automation \* Unico \* HPT

**Mission Statement**

Achieve world-class excellence in Management, Delivery, and Performance of the A3 Phoenix Project that generates business growth for all participants.

**Goals**

- 1. Safety:**  
Meet all company's safety requirements for installation, operation and maintenance of the press system.
- 2. Management and Communication:**  
Maintain the B3 model for management and communication of projects involving global cross-cultural companies.
- 3. Production:**  
Meet or exceed 17 SPM for all parts that run in this press system and established OEE (Overall Equipment Effectiveness) requirements.
- 4. Schedule:**  
Generate and maintain mutually agreed upon plans, schedules and punch lists that are easily understood, effectively communicated, and meet final acceptance dates.
- 5. Commercial and Financial:**  
Maximize project value for all participants through equitable project control by defining all project scope requirements, eliminating gray areas, and providing an open forum for discussion of engineering modifications.

General Motors \* IHI \* Rockwell Automation \* Unico \* HPT