PROJECT CHARTER CONTENT

The Project Charter includes five sections:

- Project Name
- Overview
- Performance Objectives
- Project Characteristics
- Project Recommendations

The following guidelines present information to help you identify what information to include in each section. Each topic must be covered, although some projects require more detail than others.

1. PROJECT NAME

Choose a short, energizing name or acronym that describes your project. Be specific and make sure you're not duplicating another project's name.

2. OVERVIEW

2.1 Project Background

This section describes the context surrounding the project, and presents the primary motivation for the project. It includes a high-level description of the business area, the current situation, the desired situation, and the gaps that exist.

The following list identifies potential items that could be included in the project background:

- A general description of the business functions, the specific services, and the customers;
- The sequence of events or conditions that contributed to the current problem or opportunity;
- Contributing historical data;
- Relevant features of the program areas involved;
- The manner and extent to which information technology is currently applied; and,
- A definition of the effected units of work and estimates of the quantity of work processed.

2.2 Problem/Opportunity Statement

This section includes a concise statement of the problem(s) that negatively impacts current business operations or the specific opportunity(s) that would make the business or program operations more effective.

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Avoid describing the symptoms of the problem instead of the problem itself. Symptoms that may seem to be the problem include:

- Processes that are old, confusing, convoluted, redundant, labor intensive, undocumented, or nonstandard;
- Data that is incorrect or incomplete;
- Data that requires excessive effort expended in collection, multiple collection points, or different versions of the truth; and,
- Technology that has incompatible hardware/software, outdated hardware/software, ineffective use of automation, or too many manual processes.

The symptoms of a problem are important in that they help lead to a solution. However, symptoms alone are not enough to justify a project. To make sure that you have reached the real problem, ask yourself "So what?" for each item you have included as a problem. If you have identified a business problem or opportunity, your answers should fall into one or more of the following categories:

Problems

- Excessive costs incurred in operating an existing program
- Generation of additional program costs
- Services at an unsatisfactory level according to a specified policy
- Workload/staff increases
- Quality or timeliness of information
- Additional requirements mandated by law or Federal regulations
- Limitations on the capability or capacity of current resources

The following are example problem statements:

- Current system cannot provide statistics of UI claims filed on Fridays.
- The current process requires 3.6 PYs of overtime to process travel claims.
- The current hardware system is obsolete and may fail within the next six months, meaning that the department will no longer be able to process revolving fund checks in a timely manner.

Opportunities

- Avoidance of future operating costs
- Improving mission critical customer services
- Workload/staff reductions
- Ability to add capacity to current resources

The following are example opportunity statements:

Transferring the system to the network allows standard access throughout the state reducing support needs and providing more rapid response to customer requests.

- Installing the automated call center allows the department to continue with the current staffing level and improve service, even as the number of calls increases.
- Since revised Federal law allows state access to Social Security Administration address file, we can use this file to reduce the workload required to maintain current addresses on all individuals.

2.3 Project Objective Statement

The Project Objective Statement (POS) is a high-level, written summary of the project. The POS states what the project must accomplish in order to be successful. It reflects the *current* understanding of the project and is used to *focus* the team members, the sponsor, and other key stakeholders on the primary objective of the project. The POS should be concise, 25 words or less, and avoid jargon as much as possible.

A word of caution --- Make sure that the POS is measurable and achievable. The project's success will be determined by how well it achieved the POS. The following are example POS' for different projects:

The Apollo Project: By the end of the decade, send a man to the moon and return him safely to earth.

A process improvement project: Create and implement a "No Rework" program to reduce software development costs by 50% within the next twelve months.

A Training Information System Project: By the 3rd Quarter of FY 99 , develop a centralized training information database to be the sole source of scheduling and registration activities for the department.

An Office Automation Project: Evaluate, select, and install an automated suite of tools to improve the department's ability to share information for common office functions and to reduce the training and support requirements for desktop applications.

2.4 Project Scope

This element goes hand-in-hand with the POS. The scope sets the boundaries on the project so it can be done successfully. The project boundaries are defined by specific customer business areas to be supported, functionality to be included, and/or technologies to be addressed. If the project needs to be accomplished in phases, the specific boundaries for each phase should be stated here.

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The project scope must be consistent with the Business Objectives and the Functional Requirements stated in Section 3, "Performance Objectives," of this Project Charter. For example, the scope statement for the implementation of a new automated system

could include business process re-design, physical office alteration, new office procedures, legal issues, financial management, and even administrative support such as travel arrangements.

It is often beneficial to clearly state what the project does NOT include to help identify the project boundaries.

For example, the following table shows the scope of an Operating System Upgrade project:

OS Upgrade Project Scope	
In Scope	**Out of Scope**
Upgrade all central office workstations to CyberOS 2000	Workstations at sites outside the central office
Ensure that current user applications continue to function.	Replacement or upgrades to user applications.
Train central office users on the new CyberOS interface.	Train users on user applications under the new interface.

2.5 Project Sponsor

Identify the Project Sponsor by name and organization. This individual is the one whose department has the greatest stake in the project's success and is responsible for the project's costs and benefits. Typically, the sponsor comes from the client organization. Ask the following questions to help identify the Project Sponsor:

- Who cares so much about the successful completion of the project that they are willing to fund the project and ensure that adequate resources are assigned to it?
- Who will make the final decision if the team cannot resolve a problem on its own?
- Who will make the final decision to add resources, cut features, and slip the schedule for the project?

The Project Sponsor has the ultimate responsibility for the project's costs and benefits and should be of a high enough level to have the necessary leverage, authority and the ultimate responsibility. If it's a small, local project, a division or section manager could

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be the sponsor. If it's a large, multi-departmental project, a senior executive should be the sponsor.

2.6 Project Priority and Strategic Fit

Identify how this project fits into the business unit and the organization's tactical plan. Determine the priority for this project relative to other projects that the Project Sponsor is responsible for. Then determine the project priority across the organization as well. Refer to specific goals and/or objectives in the strategic or tactical plan and identify how the project helps meet these goals.

The following steps may be helpful in clarifying the strategic fit.

- *Identify how the project fits with the organization's strategic/tactical vision(s).* Determine which set of visions/plans the project must satisfy or be tested against. Then describe the project's alignment and/or variance from the existing vision/plan.

- *Identify the fit with organizational strategies.* Sometimes the project may affect one or more local department strategies or business plans. Identify which one(s) and describe the project's alignment and/or variance.

- *Identify the fit with legal/regulatory direction, if appropriate for this project.* Describe how the project complies with the organization's legal mandates.

2.7 Stakeholder(s)

List the organizations that are involved directly or indirectly with the project. Describe how their job functions will be effected by the project's final product. Usually, at least one of the stakeholder organizations reports to the Project Sponsor.

3. PERFORMANCE OBJECTIVES

3.1 Business Objectives

Briefly state the business objectives that effectively respond to the problems and/or opportunities. Include at least one objective for each problem/opportunity mentioned in Section 2.2, "Problem/Opportunity Statement." Objectives define the significant results that must be achieved by this project. When writing the objectives, remember to focus on "What" the system or product will do, not "How." Each objective should:

- Directly relate to a problem/opportunity item;
- Be realistically achievable;
- Be measurable (this means that progress on the objective can be tracked, measured and compared);
- Indicate the direction of expected change (more, less, same as etc.); and,

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- Indicate the degree of expected change (percentage, prior year level, numbers of).

Business objectives usually fall into one of the following four categories: increasing revenues for the organization, avoiding costs, improving customer service, or complying with federal and state governmental regulations. For example:

- Provide statistical data of all UI claims filed on Fridays.
- Eliminate 3.5 PYs for processing travel claims.
- Verify current address for 75% of new claims filed.

3.2 Functional Requirements

Identify the essential characteristics that the proposed system or product must have if it is to satisfy the objectives. Functional requirements describe "how" the project result will function and provide a list of the minimum technical features that must be in place when the project is complete. Each functional requirement should track back to a business objective and should be specific enough to be used to measure the successful completion of the project. The primary functional requirements appear on the Project Data Sheet as "Ability To" statements or "Performance Objectives" depending on the nature of the requirement.

Depending on the project, the functional requirements are written in terms of:

- Types of data, in terms of groups, size, retention period etc.;
- Database characteristics;
- Processing procedures;
- Processing functions needed to support the program process;
- Types of output, in terms of groups, volume, timing, location, quality, media etc.;
- Types of input in terms of groups, volume, timing, location, quality, media etc.;
- Software constraints;
- Equipment/hardware constraints;
- Staffing constraints;
- Security or confidentiality risks;
- Hardware/software interfaces;
- Development scheduling constraints;
- Data constraints;
- Organizational constraints; and,
- Legislative constraints.

Functional requirements usually describe very specific features of the resulting system.

For example:

- The system must have on-line access to SCDB U1 claim records.
- The system must print credit card numbers on travel vouchers.
- The system must be able to access the SSA Unix-based database.

3.3 Successful Completion Criteria

Describe how the success of the project will be determined from the customer's perspective. The completion criteria should be in quantifiable/measurable terms so that there is no doubt as to the project's success. If the functional requirements have been sufficiently quantified, meeting them constitutes the successful completion criteria. Quantifiable measures of customer use and/or satisfaction with the final product also measure the successful completion of the project.

4. PROJECT CHARACTERISTICS

4.1 Assumptions

List any assumptions that were made in defining the project. Assumptions can effect any area of the project including scope, the stakeholders, the business objectives, and the functional requirements. A basic assumption behind most projects is that the problem should be solved. If any assumptions have been made regarding staffing, e.g. specific technical or business skill sets and/or individuals necessary to complete the project, list these assumptions here.

4.2 Constraints

Identify known or suspected constraints on the execution of the project. These constraints describe boundaries within which the project must operate and that also may be obstacles to the project's successful completion. For example, constraints could include any of the following:

- Limited head count
- Lack of or limited knowledge
- Short window of opportunity
- Use of new technologies and tools
- Delivering the product within a specific time frame
- Delivering the product within a limited cost

Be as specific as possible and describe the constraints in the context of the project.

4.3 Issues/Concerns/Risks

Identify major items that could cause the project to fail. Concentrate on those items, which are outside the jurisdiction of the project and could be "show-stoppers" to the

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success of the project. Use the Risk Assessment Questionnaire to help identify and list potential risks in this section.

4.4 Related/Dependent Projects

Identify projects that are or must be underway or completed before this project can successfully be completed. Next, identify projects that depend on this one for their successful outcome. Lastly, identify technical relationships between this project and other projects/solutions.

In the case of related projects, it is helpful to describe the nature of the dependency. The project being planned may be dependent on another project, be interdependent with another project, or have projects that depend on it. The nature of the dependency can include:

Data:	The project shares data with another project.
Function:	The project shares common functionality with another project.
Staff:	The project shares staff with another project.
Technology:	One project installs the technology that another requires.
Funding:	The projects share funding arrangements.

Include any dependent or interdependent projects on the Project Data sheet under "Dependencies."

5. PROJECT RECOMMENDATIONS

5.1 Existing System

Briefly describe the current method of operation. Include a general description of the system procedures, inputs, outputs, overall costs, PY numbers and PY costs. In addition, include pertinent information from the following topics as necessary:

- Current system objectives;
- Shortfalls of current operations;
- Current workload requirements;
- Backlogs;
- Data entry methods, both manual and automated;
- Data characteristics, contents, structure, size, languages, volatility, accuracy;
- Data integrity, security, privacy, confidentiality;
- Existing equipment, peripherals, processors;
- Software, software languages;
- Documentation, accuracy;
- User satisfaction, system drawbacks, failures;

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- System successes, things that work well; and,
- Support costs, future costs, overruns.

5.2 Alternative Analysis

Identify the potential alternatives for accomplishing this project. For example, one alternative could be to build a solution in-house. Another alternative could be to buy the software from a vendor, and tailor it to support the organization's business. Still another alternative might be to accomplish only part of the desired solution in a phased approach to the project. Include specific technologies in this section, only if they are required by organizational constraints or architectural standards.

Include the following general information for each alternative:

General description including what the alternative is, how it would be implemented, and how it would work after implementation. Include additional details such as specific interfaces, tools required, architecture requirements, support, etc.;

Estimated time frame;
Specific assumptions and constraints;
Advantages; and,
Disadvantages.

Include enough detail to thoroughly describe the potential alternatives and differentiate between them.

5.3 Recommended Alternative

Select one of the alternatives to be carried forward. Provide justification for why you chose this alternative.

5.4 Project Milestones

List the major events by which you intend to measure your progress on the project. The major milestones should coincide with the deliverables. It is not necessary to identify a separate milestone for each deliverable. However, it should be clear from the milestone description which deliverables are completed by that milestone.

Events that must be reported include: project start date, development completion date, operational date and post-implementation evaluation date. Any other important deadlines or key management checkpoints critical to project success, such as procurement dates, budget deadlines, legislation enactment dates, or partial

implementation dates, should also be included. Project management milestones should be identified at no less than three-month intervals during the life of the project.

Most milestone completion dates are represented by elapsed days/months from the project approval date. However, if the project includes dates mandated by legislation, show these specific dates as the milestone.

Project Milestones	Completion Date

5.5 Cost Analysis

Estimate the costs and income of your selected alternative for three to five fiscal years from the beginning of the project, depending on the project duration and size. Present these high level estimates in the following "Cost Analysis Table." Remember that this is only a preliminary estimate. It will be used as a guide to allocate resources, not to measure the success or failure of the project. A more accurate estimate of both schedule and resources will be derived during the Plan phase, if the project is approved.

Cost reductions or personnel-year reductions should be reported as negative numbers, while cost increases or personnel-year increases should be reported as positive numbers. If the proposal modifies or replaces an existing operation, savings and cost avoidance should be based upon comparison with the current method of program operation. If the proposal recommends a new system, provide estimated costs for the proposed information technology capability. If the proposed solution will increase program income (i.e. tax revenues, collectable audit exceptions, accounts receivable, etc.) such increase should be reported as negative numbers under "Program Income."

	FY <1>		FY <2>		FY <3>	
	PYs	Costs	PYs	Costs	PYs	Costs
One-time Costs		$		$		$
Continuing Costs		$		$		$
Impacted Program Costs		$		$		$
Program Income		$		$		$

Net Program Costs		**$**		**$**		**$**
Cost Savings		$		$		$
Cost Avoidance		$		$		$

5.6 Source of Funding

Indicate the source of funding anticipated for the proposed project. If the project is to be funded from multiple sources, list each source. Examples include the State General Fund, special funds, Federal grants, interagency reimbursements, redirection from existing baseline funds, and contracts. Also, state if the funds have been budgeted for this purpose.

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