

Project Charter Best Practices

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Developing a project charter is the critical first step in project planning because developing it, or neglecting to develop it, sets the tone for project planning in general as the project moves forward.

In general terms the project charter is the project manager's "marching orders." This document outlines a project well enough for the project manager to plan and execute. It can be based on a contract or statement of work from a customer, a business plan from internal company sponsors to develop a new product, and other contractual agreements. A properly developed charter may be one page long (a common rule of thumb) or it can be a fairly elaborate document. It's up to the project sponsor and project execution team to agree on what is appropriate. In this blog you will learn some tips on how to write a simple project charter. It's not that difficult.

There is no single best way to write a project charter. A small project might require a one-page charter while a much larger project could require a charter many pages long that takes on significant legal meaning with potentially significant financial implications.

The Project Management Institute's Project Management Body of Knowledge, commonly referred to as the PMBOK, (2013) lists "Develop Project Charter" as process 4.1 According to the PMBOK the charter formally authorizes a project and authorizes the project manager to apply resources to the project.

Using a statement of work, or a business plan, or whatever is driving your organization to undertake this project, you, the PM, work with your customer or sponsor, company executives, and even some key members of the executing team to make sure you get this document right. A poor charter is the surest path to future chaos.

Recommended Best Practice

My primary interest is managing small- to medium-sized projects in business environments that don't have a great deal of project management maturity. Large companies tend to have forms and templates they want you to use, so you grab their charter template and fill it out. But smaller organizations often don't have these tools. In these cases I prefer a simple, straightforward project charter that can be prepared quickly by an individual. It needs to contain enough to capture the business (or customer) need for the project in order to help guide decision-making during project planning and execution. It needs to capture the basic project concepts of scope, schedule, budget and risk. It needs to clarify exactly who the key stakeholders are and what their roles are, and it needs to clearly state the success and acceptance criteria for the project. Beyond that, tailoring will allow parties to add any other information they think is important. My project charter outline and checklist would therefore look like this:

- **Project Description**: Including business need, description of deliverables, and success/acceptance criteria. Also mention any assumptions/constraints that should be monitored in the project life cycle.
- **Stakeholders**: Identify all key stakeholders and their roles, especially customer with signature authority, project manager and any key team members or executives
- **Scope**: Outline requirements and deliverables and reference governing documents
- **Schedule**: List driving milestones and schedule constraints

- **Resources**: List all resources required for the project in enough detail to justify the budget. Also identify key resources required for the project including team members, subcontractors, and customer furnished items
- **Risk**: List any known risks and mitigation plans
- **Approval section**: The charter must be signed by the customer and a project team representative

Keeping it to this level of detail allows anyone to write a good, basic charter without expending an inordinate amount of time or, as is usually the case, feeling so intimidated by the process that they simply decide not to write a project charter at all. Failing to write the charter sets the pattern for lack of project planning that plagues so many projects and is a primary cause of project failure.

In summary, keep the project charter simple, get the project off to a good start, and get the project manager in the habit of planning properly. The project charter protects the project team down the road when conflict arises and reminds customer and project team alike what the original intent was and helps them resolve conflict to mutual satisfaction.