

PROJECT CHARTER

Introduction

Project Charter refers to a statement of objectives in a project. This statement also sets out detailed project goals, roles and responsibilities, identifies the main stakeholders, and the level of authority of a project manager.

It acts as a guideline for future projects as well as an important material in the organization's knowledge management system.

The project charter is a short document that would consist of new offering request or a request for proposal. This document is a part of the project management process, which is required by Initiative for Policy Dialogue *IPD* and Customer Relationship Management *CRM*.

The Role of Project Charter

Following are the roles of a Project Charter:

- It documents the reasons for undertaking the project.
- Outlines the objectives and the constraints faced by the project.
- Provides solutions to the problem in hand.
- Identifies the main stakeholders of the project.

Benefits of Project Charter

Following are the prominent benefits of Project Charter for a project:

- It improves and paves way for good customer relationships.
- Project Charter also works as a tool that improves project management processes.
- Regional and headquarter communications can also be improved to a greater extent.
- By having a project charter, project sponsorship can also be gained.
- Project Charter recognizes senior management roles.
- Allows progression, which is aimed at attaining industry best practices.

Elements in Project Charter

Since project charter is a project planning tool, which is aimed at resolving an issue or an opportunity, the below elements are essential for a good charter project.

For an effective charter project, it needs to address these key elements:

- Identity of the project.
- Time: the start date and the deadline for the project.
- People involved in the project.
- Outlined objectives and set targets.
- The reason for a project charter to be carried out, often referred to as 'business case'.
- Detailed description of a problem or an opportunity.
- The return expected from the project.

- Results that could be expected in terms of performance.
- The expected date that the objectives is to be achieved.
- Clearly defined roles and responsibilities of the participants involved.
- Requirement of resources that will be needed for the objectives to be achieved.
- Barriers and the risks involved with the project.
- Informed and effective communication plan.

Out of all above elements, there are three most important and essential elements that need further elaboration.

Business Case

This outlines the need for a project charter to take place. A business case should set out the benefits gained from carrying out a project charter. Benefits need not only be in terms of finance such as revenue, cost reduction, etc., but also the benefit that the customer receives.

Following are the characteristics of a good business case:

- The reasons of undertaking the project.
- The benefits gained from undertaking the project now.
- The consequences of not doing the project.
- The factors that would conclude that it fits the business goals.

Project Scope

As the name denotes, it refers to the scope that the project will give the business if they undertake the project.

Before doing a project, the following concerns need to be addressed:

- The within scope and out of scope needs to be considered.
- The process that each team will focus upon.
- The start and end points for a process.
- Availability of resources.
- Constraints under which the team will work.
- Time limitations .
- The impact on the normal workload if the project is to be undertaken.

The Need for a Good Communication Plan

The need for a good communication plan is at its utmost necessity when it comes to planning a project. Project managers need to work on building a good communication plan which will help in meeting the overall objectives of a Project Charter.

When creating a communication plan, the project manager needs to take the following into consideration:

- **Who** - responsibility of each individuals participating in the project.
- **What** - the motive and the reason for communication plan.
- **Where** - location where the receiver could find information.
- **When** - the duration and the frequency of the communication plan.

- **How** - the mechanism which is used to facilitate the communication.
- **Whom** - The receivers of the communication.

Conclusion

The project charter is not only a tool that is used for planning projects but also a communication mechanism that acts as a reference. A well-planned project with an effective communication plan will definitely bring in success for the project undertaken at hand.

Therefore, the Project Charter should be one of the frequently referred documents in a project and the entire project team needs to be aware of the content of the Project Charter. This is a key element for a successful project.

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