



विद्या परं दैवतम्

**IIM**

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## Chartering Projects

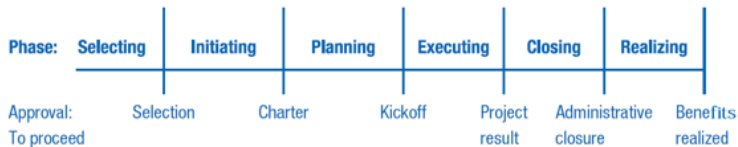
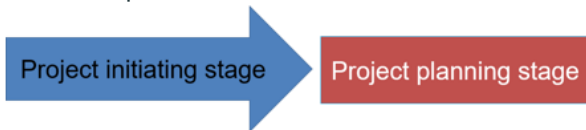
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## What is a Project Charter?

- An informal contract between the project team and the sponsor
- A contract
  - is entered into freely by two or more parties.
  - cannot arbitrarily be changed
  - offers something of value for each party
  - is a living document that can evolve with changing conditions

# What is a Project Charter?

- Signing a charter represents transition



## Why is a Project Charter used?

- Authorize the project manager to proceed
- Help to develop a common understanding
- Create commitment
- Screen out poor projects

## Authorize the project manager to proceed

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- Project charter authorizes commitment of resources to a project
- Project charter provides official status within the parent organization.

## Common understanding

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- Teamwork develops.
- Agreement, trust, communication, and commitment develop.
- Project team does not worry if management will accept a decision.
- Sponsor is less likely to change the original agreement.

# When is a charter needed?




## PROJECT CHARTER DECISION MATRIX

Project Name \_\_\_\_\_

Date \_\_\_\_\_

When an improvement, change, or new program is going to be implemented, it is important to first determine whether or not it is a project. If it is a project, TriHealth has specific tools that should be used to guide the planning and implementation.

In general, a project is "a temporary endeavor undertaken to create a unique product, service, or result." If your project impacts more than one department, requires expertise or resources beyond your own department, or could affect the operations in another area, the standardized templates should be used. Answering the questions below with a check will help you determine what types of tools are needed for your project. Evaluate where the majority of your checks lie and use the most appropriate tool.

<b>Resources</b>	<input type="checkbox"/>	Little or no monies, supplies, or change in resources	<input type="checkbox"/>	Requires moderate resources	<input type="checkbox"/>	Requires significant and/or additional FTEs
<b>Multidisciplinary</b>	<input type="checkbox"/>	1 discipline involved/impacted	<input type="checkbox"/>	2-3 disciplines involved/impacted or more than one site	<input type="checkbox"/>	More than 3 disciplines involved/impacted
<b>Complexity</b>	<input type="checkbox"/>	Little complexity	<input type="checkbox"/>	Moderate complexity; affects care delivery	<input type="checkbox"/>	Very complex
<b>Technology Involvement</b>	<input type="checkbox"/>	No technology changes	<input type="checkbox"/>	IS consult needed	<input type="checkbox"/>	IS resources assigned
<b>Approvals</b>	<input type="checkbox"/>	None needed	<input type="checkbox"/>	Approval by immediate supervisor	<input type="checkbox"/>	Executive-level approval
<b>Potential Risk Level</b>	<input type="checkbox"/>	Minimal impact on customer	<input type="checkbox"/>	Moderate impact on customer	<input type="checkbox"/>	Significant impact on customer
<b>Staff Commitment</b>	<input type="checkbox"/>	Involvement of 2-3 people for solution	<input type="checkbox"/>	Small team needed to generate solutions	<input type="checkbox"/>	Requires large team of multiple departments for improvement
<b>Communication and Education</b>	<input type="checkbox"/>	Simple communication plan or unit-based education only	<input type="checkbox"/>	Moderate communication plan; requires education across departments	<input type="checkbox"/>	Complex communication/education plan with various media
<b>Metrics</b>	<input type="checkbox"/>	Requires at least a one-time follow-up check	<input type="checkbox"/>	Improvement will be tracked	<input type="checkbox"/>	Baseline and ongoing tracking of data
<b>If the majority of your checks lie in this area:</b>						
	<input type="checkbox"/>	<b>No charter needed</b>	<input type="checkbox"/>	<b>Complete a mini charter</b>	<input type="checkbox"/>	<b>Complete a full project charter</b>

## Typical Elements in a Project Charter

- Title
- Scope overview
- Business case
- Background
- Milestone schedule
- Risks/assumptions/constraints
- Resource Estimate
- Team operating principles
- Lessons learned
- Signatures and commitment

## Scope Overview

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- High-level description of “what” and “how”
- The project in a nutshell
- **Product scope** – characteristic features and functions of what is being created
- **Requirements**—characteristic or condition needed to satisfy either a contract or a stakeholder’s expectations
- Used to help prevent scope creep
- Considered to be the project boundaries
- Quantifying the scope helps with understanding of project size
- **Scope creep** – uncontrolled expansion to what was agreed upon

## Business Case

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- Project purpose or justification statement
- Answers the question “why?”
- Used to justify the necessity of the project
- Ties project to the organization’s strategy
- Provides rationale or high-level cost/benefit estimates
- Persuades and inspires decision makers and team members

## Background

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- Used to provide more detail to support the scope statement and business case statements
- Background statement is optional

## Milestone Schedule with Acceptance Criteria

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- Divides the project into intermediate steps whose completion can be verified
- Lists major milestones and deliverables
- Milestone schedule – summary-level project schedule composed of major milestones and/or completion of deliverables

## Milestone Schedule with Acceptance Criteria

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- Who will judge the quality of the deliverable and by what criteria?
- Acceptance criteria represent the project's vital signs
- Never turn in a deliverable without knowing how it will be judged
- Something of value will be delivered at each iteration
- **Acceptance criteria** – markers against which deliverables can be evaluated for completeness and correctness.

# Milestone Schedule with Acceptance Criteria

MILESTONE	DATE	WHO JUDGES	ACCEPTANCE
1. Existing facility	9-19-16		
2. Site visit/audit	9-22-16	PM/Customer	Site data verified
3. Design and approval	10-22-16	Customer	Customer approval
4. Equipment deliverables	12-2-16	Engineering & Manufacturing	B.O.M. check
5. Project execution	1-6-17	Installation & Customer	Commissioned
6. System turnover	1-13-17	Customer	System throughout of 35,000 cases per day

## Risks, Assumptions, and Constraints

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- **Risk** – an uncertain situation which could have a negative or positive effect on the project if it occurs
- **Assumptions** – suppositions made during project planning that are treated as factual, though they've not been proven
- **Constraint** – anything that limits project implementation
- Reminders of what could prevent successful completion of a project
- Forethought and planning increases the likelihood of discovering problems before they occur false assumption becomes a risk
- A constraint that limits money, time, or resources is a risk

# Risks

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- Identify negative risk and a plan to overcome it.
- A positive risk can be considered an opportunity → plan to capitalize on it
- Consider the risk of NOT undertaking the project
- Assign an “owner” responsibility for each negative risk

## Resource Estimates

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- A preliminary budget with level of confidence in the estimate
- Identify expenses the project manager can authorize
- Identify expenses the sponsor needs to control

## Stakeholder List

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- Identify stakeholders
- What does each stakeholder care about?
- Who are the key stakeholders?

# Team Operating Principles

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- Enhance team functioning
- Increase team effectiveness
- Ensure all parties are aware of what is expected

How to conduct meetings

How to accomplish work

How to treat each other with  
respect

How to make decisions

## Lessons Learned

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- Successes and failures of previous projects become practical advice
- Avoid the risk of repeating mistakes from previous projects
- **Lessons learned** – knowledge gained from one project which may be applicable to similar future projects
- **Lessons learned register** – accumulation of knowledge learned, which can be easily referenced and cataloged.

## Signatures and Commitment

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- Who is involved
- Extent to which each person can make decisions
- Expected time commitment for each person
- The project sponsor, project manager, and core team members show commitment by signing the charter

## Constructing a Project Charter

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- Sponsor creates first draft of scope overview and business case
- Leadership team may contribute additional information
- Scope overview and business case should be one to four sentences each

# Example of Scope Overview

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## PHASE II MULTICENTER TRIAL SCOPE OVERVIEW

This project will initiate a Phase II multicenter clinical trial at Cincinnati Children's Hospital Medical Center (CCHMC). The trial will be conducted at five medical centers in the United States to investigate the safety and efficacy of an investigational drug's ability to improve cognitive functioning and quality of life in pediatric patients with Tuberous Sclerosis Complex. The project is a follow-up study of a Phase I clinical trial conducted at CCHMC.

# Example of Business Case

## DEVELOPMENT OF A BIOLOGICAL RESEARCH SPECIMEN SHIPPING CENTER PROJECT BUSINESS CASE

The purpose of this shipping center is to provide professional shipping services and supplies for CCHMC employees who are responsible for shipping biological specimens as part of research. This shipping center will improve compliance, streamline shipping processes, enhance research productivity, reduce time and money invested in employee training, and reduce potential liability for noncompliance.

# Milestone Schedule with Acceptance Criteria

MILESTONE SCHEDULE WITH ACCEPTANCE CRITERIA EXAMPLE

COMPLETION DATE	MILESTONE	STAKEHOLDER JUDGE	ACCEPTANCE CRITERIA
<b>Current state:</b> Paper, noncentralized records			
Needs assessment	28-Feb	Ops management	List of needed features
Hardware selection	15-Apr	Ops management, CIO	Hardware choice with contract
Vendor selection	30-May	Ops management	Vendor choice with contract
Installation and configuration	15-Jul	Application specialist, IS department head	Functional software in test environment
Conversion	31-Aug	Application specialist, IS department head	All files converted
Testing	15-Oct	Application specialist, IS department head	Sign off on test
Training	30-Nov	Ops management, HR	Sign off on training
<b>Future state:</b> Electronic, centralized records	30-Nov	Sponsor	Ability to enter and retrieve information from all departments
↓ ⋮ ↓			
<b>Ultimate goal</b> Seamless information flow throughout organization			

## Six Steps in Constructing a Milestone Schedule

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1. Describe the current situation that requires the project (1st row of the milestone column)
2. Describe the project at its successful completion (Last row of the milestone column)
3. Describe the acceptance criteria for the final project deliverables (Bottom row of 3rd and 4th columns)
4. Determine the few key points in the milestone column where quality needs to be verified
5. For each milestone, determine who the primary stakeholder(s) is(are) and how the resulting deliverable will be judged
6. Determine expected completion dates for each milestone

# Six Sigma Milestone Schedule and Acceptance Criteria Template

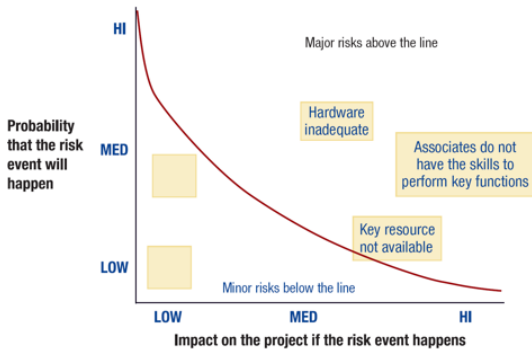
Milestone	Completion Date	Stakeholder	Acceptance Criteria
Current Situation Define	_____	_____	Problem in operational terms Customers and metrics identified Project schedule and assignments
Measure	_____	_____	Causal relationships defined Data gathering procedures approved Sufficient data gathered
Analyze	_____	_____	Potential variables identified; Root causes statistically proven
Improve	_____	_____	Problem resolution ideas gathered Solution evaluated and confirmed Solution implemented
Control Future State	_____	_____	Standards, procedures, training in place

## Risks, Assumptions, and Constraints Instructions

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- Brainstorm all risks to
  - 1.Schedule
  - 2.Budget
  - 3.Usefulness
  - 4.Satisfaction
- Identify and document assumptions
- Quantify risks based on:
  - probability of occurring
  - impact if realized
- Which risks should be considered “major?”
- Major risks require formal response plan

# Risk Assessment Example



## Risk Response Planning Example

<b>RISK EVENT</b>	<b>RISK OWNER</b>	<b>RISK RESPONSE PLAN(S)</b>
Hardware inadequate	Edie	<ol style="list-style-type: none"><li>1. Techs revise existing hardware</li><li>2. Replace hardware</li></ol>
Associates do not have skills to perform key functions	Padraig	<ol style="list-style-type: none"><li>1. Train existing associates</li><li>2. Hire additional people</li></ol>
Key resource not available	Ute	<ol style="list-style-type: none"><li>1. Identify external resources to fill need</li></ol>

## Resources Needed Instructions

- Use crude estimates for people, equipment, space, and money needs
- Describe how estimates were developed level of confidence
- Develop limit of spending authority for project manager

<b>MONEY</b>	<b>PEOPLE</b>	<b>OTHER</b>
Marketing \$10,000	Project Manager, 250 hours	1 Dedicated Conference Room
	Core Team Members, 500 hours	
AV and Communications \$5,000	Internal Consultant, 100 hours	
Miscellaneous \$5,000	Data Analyst, 100 hours	
	Focus Group Participants, 50 hours	
Total = \$20,000	Total = 1,000 hours	<b>1 Room</b>

## Stakeholder List Instructions

- Identify all stakeholders
- Determine most important stakeholders
- Ask each stakeholder what interest they have in the project

STAKEHOLDER	PRIORITY	INTEREST IN PROJECT
Institutional Review Board	Key	Unexpected problems, progress
Food and Drug Administration	Key	Serious adverse events, progress
Site Principal Investigators	Key	Protocol, safety reports, changes
Pharmaceutical Company (Customer)	Other	Serious adverse events, progress
Research Subjects (Patients)	Other	Purpose of study, risks and benefits, protocol

# Team Operating Principles Instructions

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- Establish how:
  1. meetings will be conducted
  2. decisions will be made
  3. work gets done
  4. everyone will treat each other with respect

## Lessons Learned Instructions

- Consider what has worked/not worked
  - Copy or tailor what has worked
  - Avoid what has not worked
- Report lessons learned more than once over life of project
  - Before undertaking project
  - At key reviews
  - Upon project completion
- Make lessons available in a knowledge base

## Signatures and Commitment Instructions

- Project sponsor, manager, team members

Anne E., Sponsor

\_\_\_\_\_  
*Signature*      *Date*

Karen H., Project Leader

\_\_\_\_\_  
*Signature*      *Date*

Jim B., Team Member

\_\_\_\_\_  
*Signature*      *Date*

Charlie H., Team Member

\_\_\_\_\_  
*Signature*      *Date*

Mitch N., Team Member

\_\_\_\_\_  
*Signature*      *Date*

## Ratifying the Project Charter

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- Present the project charter to the sponsor for approval
- Sponsor asks questions for clarification and agreement
- Sponsor, project manager, and core team sign the project charter

## References

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- **Contemporary Project Management by Kloppenborg, Pearson India.**
- **Project Management A Managerial Approach by Meredith and Mantel, John Wiley Sons.**

*Thank you.*

*Any queries?*