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The project charter is an essential part of any project. This article explains its importance and goes into further instruction on what makes good charters and how to make one yourself. A well-written project plan, with all its key elements, is a way to ensure a project's success. If you're eager to enhance your ability to develop strong project charters, enrolling in IPM's project management courses can provide you with practical guidance and real-world examples. What is a Project Charter? The project charter is one of the first tasks of a project manager ahead of the new project. It is a document that serves to formally announce the selection and approval of the project. Also, it grants the project manager authority to meet project objectives while using organisational resources. It also contains the main project goals and the designation of roles and responsibilities. Its purpose is to help the involved project managers & the stakeholders understand what the given project is supposed to accomplish. It defines the project's success, offers deadlines, and provides information on identified risks and the budget. Serves as the basis for the project planning. It maps out each step of the way so that any changes can be implemented easily and smoothly. Sometimes, there is confusion about what a project charter really is. Many times it goes by synonyms e.g. project plan or project brief or even by the name of the business case. However, the differences are not just in names but in their purposes as well. A project plan is a formally approved document that is supposed to guide through project execution. It also controls by detailedly explaining how and when to fulfil the project objectives by showing the major products, milestones, activities, and resources required for the project. A project charter, on the other hand, is an unapproved proposal and the first deliverable of the project. It is used to secure stakeholder approval of a project. It establishes the authority of the project manager. Once the top management approves it, the project manager prepares the project plan. The project plan shows how to achieve the approved project goals. So essentially, it is a draft that is later used for developing a formal document (project plan). A project brief is created after the project has officially been approved. The project brief is a shorter, simpler version of the project plan. It is used by the project team and stakeholders for reference. This short document contains background information, project objectives and criteria for success as well as project timeline and target audience - each brief depends on the project scope and the project's complexity. The similarity is, that they both explain why the project is a good idea and what everyone's tasks during it are. A business case is about understanding what the project's impact on the business will be. Essentially it's imagining a scenario where we evaluate if the completed project's goals are worth pursuing. But it is important to note that it is only about setting the financial parameters, not about making a decision whether to invest in it. So a project manager might create many business cases but only make a project charter for some of them. It draws from the business case for the financial parameters in which the project needs to operate. It is also the key assumption from the business case as well, most likely about the scope and timeline. So the whole project process usually contains all three of these documents: the business case is a document that is created first; then, following it, a project charter gets drafted. According to a project charter, a simple and short document used for reference is made - a project brief. And lastly, a project plan is created. The project plan is the most important part as it contains all the guidelines the project team and project manager should follow. Why is a Project Charter used in Project Management? Using a project charter has many benefits. It is helpful to not only project managers and project team members but to stakeholders and clients as well. Firstly, a project charter is helpful for determining project value - if is it worth carrying out the project. The most obvious benefit is that it helps in avoiding future problems because everything is already planned out. By addressing everything before starting the project, you are avoiding future conflicts and saving time that would have been spent on negotiation. It also ensures that there is enough available funding and sets the project budget outline. Most importantly, it helps the team have clear guidelines and confidence that by following them and hitting those milestones, they are reaching the needed criteria for the project's success. This also boosts team morale because they are working under effective and well-organised management, avoiding confusion and frustrations. As for the project charter's benefits for stakeholders and clients - it helps them understand what to expect. This way they know exactly what they are approving and this makes it easier to avoid conflict and information to the project later on (also avoiding problems regarding cost and resources). Mastering the art of creating a project charter is a crucial skill, and a course in project management can provide you with the tools needed to succeed in this area. Why Project Charter is so Important? The main reason for creating a project plan is to have a formal authorisation of the project & proof of agreement. Otherwise, without it, a project could be cancelled or audited anytime for any reason. It serves as a contract for the project team by containing information about everyone's roles in a way everyone can understand and agree on. The importance of this "contract" does not only benefit the project manager. It is also used to ensure that the project manager understands stakeholders' needs and requirements. It also provides them with vital information about the project's process. Because of these reasons, we can say the importance of a project plan is reflected in its three main benefits: A project charter has a huge role in the formulation of the project plan. It is especially helpful when it comes to project stakeholder relations. While creating the project charter, a project manager should think about what roles stakeholders need to play or what is needed from them. For this, it is important to do a stakeholder analysis. Once the stakeholder analysis is complete, utilize the gathered knowledge to identify key stakeholders involved in the project. Ensure their active involvement in creating the project plan. Keeping too much meddling of stakeholders in the project can sometimes be difficult. Some of the key project stakeholders might try to persuade project management to alter projects towards something that benefits them more. But having this "contract" to refer back to, to show them what they originally agreed on keeps project managers in charge. Officially having authority assigned to the project managers is why the project charter has that much importance for them. By planning and controlling the project, the importance of their role and the power they hold is established to the team members and main stakeholders. The project charter is "an essence" of the project- it is used for referencing the plan and making sure everything is going according to it. Most of the time this is the reason people confuse it with the project plan itself but a proper project plan is much more complicated and contains a lot more information than the charter does. When you just want to make sure everything is going in the right direction, a project charter is more useful as you don't need to use the whole project life cycle. This is useful for comparing whether doing a certain task is actually doing something that will impact the overall business objectives. How to Write a Successful Project Charter Writing the project charter may be a challenge, especially for the less-experienced project managers. The following tips can help create a backbone structure for the document: A clear vision is an absolute must when it comes to the initial charter. Determining what the project aims to accomplish is as important as writing it out in the form of an easy-to-understand, all-encompassing vision statement. It should include measurable and realistic objectives and all relevant information about the project. Likewise, it should focus on the outcome and list the tangible ways that the project will influence the company or organization. It is essential to identify and include information on all the roles in the project. This includes the list of stakeholders and their connection to the project and the customers or end-users. All the other persons involved should be identified the project manager, the board, and the sponsors. What are their relationships, and how do they interact? Outlining everyone's responsibility will help with troubleshooting in the future. Once the vision and roles are established, it is time to describe the project scheduling. This includes a plan with all the activities and individual phases of the project. A detailed outline of the project development serves to provide clarity at any time of the process and helps gain the confidence of the stakeholders and customers in the project. This part of the project charter document can include individual milestones, and due dates and list all necessary equipment and resources used. Risk assessment is an important part of any project planning. The charter lists any possible constraints and challenges the project may face in different phases of its development. The risk assessment should also include problems and issues that have already occurred and are related to the project. Such information will prove useful once the project runs and encounters any difficulties. Project Charter Template The project charter's elements are more or less dependent on the nature of the project and its requirements. Usually, every project consists of the following elements: The project name should be something that contains the very purpose of the project. Keep it simple and relevant. Project objectives are the key element of the project charter. It explains why the project was proposed, what solution it brings to a problem and how it will impact the organisation and help bring it closer to achieving goals. This element of a project management charter describes what the result of the project will be delivered - what is the finished product or service? This part, other than key deliverables, can also include success criteria - what metrics are used to measure the project's success and has the end product really accomplished everything that was planned. The scope provides boundaries that help maintain focus and avoid scope creep. Scope management is helpful for following the planned timeline and achieving goals set out for each phase. Simply put, the scope statement in a project charter is a reference point for project managers to allow or reject a request during the process of a project. Another very important thing for reaching the planned due dates is avoiding as many risks as possible. That is the reason why a project charter should also state all the potential risks and constraints as well as plans for analysing and solving them through the project. Timeframes and milestones in the project charter should also be considered as a part of the project scope's timeline. They are used to show when each phase of the project should be completed. If not stated next to deliverables, this element of the project charter can also include measures. This section of a charter borrows from the business case. It should explain all of the project's costs, and where the money will come from and it should also contain a list of any additional resources (such as, for example, project management software) needed to complete the project. During the project, there will probably be a need for reporting to external stakeholders such as clients or project sponsors. Knowing which project sponsor or end user should be notified of the key information related to the charter project is why it is important to keep a list of those individuals. Completing stakeholders analysis allows you to know who are the main stakeholders that play key roles in the project's purpose and keep them updated regularly. List out everyone who is involved in the project as well as their roles and responsibilities. Usually, this list includes everyone - end user, key stakeholder, project sponsor and development team. It outlines the role, the person assigned to it, and the responsibilities of that role. The breakdown of each team member's responsibilities will eliminate the confusion about who is responsible for which aspect of the project. It will also allow for an easier communication process. This brings us to another important element to keep in mind when creating the project charter - the communication plan. The communication plan outlines the way the development team will contact the customers or project charter in cycle. It is one of the first tasks involved with assumptions, and boundaries guiding crews' piloting. Every preference depends on the project manager's style of management, the project team's preference as well as the type of project they are working on. Sometimes having resources, objectives, stakeholders, deliverables and everything else overlapping in your thoughts may become confusing. Hence it is easier to think about three influential factors and then divide them into these elements. The three most important questions to answer while making a project charter are who, what and why? Example of Project Charter The project charter is an important part of any project planning and knowing how to make one is a necessity in the project management field. If you wish to learn more about project charters and other project management aspects, take a look at the Institute's PMP course. This course is designed to help you understand the role of a project manager and just how important a project charter really is. Download Template - Word Version Share — copy and redistribute the material in any medium or format for any purpose, even commercially. Adapt — remix, transform, and build upon the material for any purpose, even commercially. The licensor cannot revoke these freedoms as long as you follow the license terms. Attribution — You must give appropriate credit , provide a link to the license, and indicate if changes were made . You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use. ShareAlike — If you remix, transform, or build upon the material, you must distribute your contributions under the same license as the original. No additional restrictions — You may not apply legal terms or technological measures that legally restrict others from doing anything the license permits. You do not have to comply with the license for elements of the material in the public domain or where your use is permitted by an applicable exception or limitation . No warranties are given. The license may not give you all of the permissions necessary for your intended use. For example, other rights such as publicity, privacy, or moral rights may limit how you use the material. For professionals pursuing Six Sigma certification, understanding how to develop a robust project charter is critical, as it aligns with the methodology's emphasis on structured problem-solving and measurable outcomes Outlining timelines, budgets, and success benchmarks transparently imbues project outlook and importance. Project Charter proves vital to kickstart projects properly authorized and mapped fully for thriving preparation, execution, and surveillance. A well-crafted charter acts as evolutions unfurl and letting them navigate safely hand-in-hand. Key elements of a project charter are Objectives, boundary lines, results, time restrictions, budgets, potential risks, and standards to crown success. Thorough charters establish agreement, clarity, and accountability among all participants. This maintains harmony as work advances and transpires. A project charter officially permits commencement and establishes a preliminary frame around core components needed for guiding the journey ahead. It serves as a reference, aligning outlooks, confirming purposes, scope, and constraints to unite the parties involved, and kickstart a project successfully. Typically among initial deliverables when establishing the project, it outlines high-level needs, assumptions, and boundaries guiding crews' piloting. Proper inauguration prevents scope bloat plus ensures alignment with strategic visions steering progress right from the embarkation. Although formats customize key elements provide clear answer to pressing concerns driving the project through - such as motivations, targets, participants, and projected routine. This ensures a stable and defined scope for prospering results, reducing errors, and achieving a synchronized momentum initially. A well-crafted project charter serves as a foundational document that aligns the project team and stakeholders on the objectives, scope, timelines, and resources required for a successful project. While the specific elements of a project charter may vary based on the project methodology and organizational standards, most project charters typically include the following key components: This section outlines the overarching goals and desired outcomes of the project. It should clearly articulate the purpose, expected benefits, and how success will be measured (project success criteria). Well-defined objectives provide a shared understanding of what the project aims to accomplish. The scope statement delineates the boundaries of the project, specifying what will be included (deliverables) and what falls outside the scope (constraints). It helps manage expectations and prevents scope creep, which can derail projects. The scope should align with the stated objectives. This section outlines the major milestones, deadlines, and a high-level project schedule. It sets expectations for when key deliverables will be completed and provides a roadmap for tracking progress. Identifying and defining the roles of key stakeholders, including the project sponsor, project manager, core team members, and other impacted parties, is crucial. This section clarifies responsibilities and establishes lines of communication and decision-making authority. All projects involve assumptions (e.g., resource availability, technology requirements) and potential risks that could impact success. Documenting these upfront allows for proactive risk management and contingency planning. This section outlines the estimated budget, including costs for personnel, materials, equipment, and other expenses. It also specifies the required human resources, subject matter experts, and any special skills or training needed. The governance model defines the project's decision-making hierarchy, escalation paths, change control processes, and quality assurance measures. Those with Six Sigma certification will recognize the governance model's alignment with DMAIC (Define, Measure, Analyze, Improve, Control) principles, ensuring rigorous quality control. Creating a comprehensive project charter is crucial for the success of any project. It serves as a formal document that establishes a partnership between the project team and key stakeholders. Here are the typical steps involved in creating an effective project charter: The first step is to clearly articulate the purpose and justification for initiating the project. This includes describing the business needs, problems or opportunities addressed, expected benefits, and strategic alignment with organizational goals. Outline the major deliverables, requirements, constraints, and boundaries of the project. This helps the project team manage expectations and prevent scope creep. Determine all the people or groups that have an interest in or will be impacted by the project. This includes the project sponsor, customers, subject matter experts, and any others who need to be consulted or informed. Clearly assign roles such as project manager, team members, advisors, decision-makers, etc., and delineate their respective responsibilities. This ensures accountability and avoids confusion later. Provide a realistic timeline with major milestones and deadlines based on the project scope. Also, estimate the total budget required including costs for labor, materials, equipment, etc. Identify potential risks that could impact the project along with mitigation strategies. Document any assumptions being made about resources, environment, constraints, etc. Once drafted, the project charter needs formal approval and sign-off from the project sponsor, key stakeholders, and governance bodies. Their commitment is critical for successful execution. The project charter plays a crucial role in the project initiation phase. The project charter formally authorizes the project and provides the project manager with the authority to utilize organizational resources for project activities. A Green Belt certification equips project managers with tools to execute charters effectively, balancing stakeholder needs with data-driven decision-making. During initiation, the project charter validates the project such as its purpose, objectives, scope, constraints, assumptions, and stakeholders. This gives the project team a clear understanding of what needs to be accomplished right from the start. The charter serves as the source of truth that the team can refer back to throughout the project life cycle. As the project moves into the planning phase, the charter guides the detailed planning of activities, schedules, budgets, quality metrics, and more. The project scope, objectives, constraints, and assumptions documented in the charter inform the planning process. During project execution and monitoring/controlling, the charter provides the baseline for tracking progress against the original intended project objectives, scope, timeline, and budget. Any changes to these baselines are documented and approved through formal change control processes. Finally, in the project closing phase, the charter is reviewed to ensure all deliverables and success criteria are met according to the original business justification and requirements. Lessons learned are documented and applied to improve the chartering process for future projects. Creating an effective project charter requires following some key best practices. Here are some tips to keep in mind: The project charter should be a clear, high-level document that captures the essential details about the project's scope, objectives, stakeholders, and requirements. Avoid getting too bogged down in minute details that are better left for the project plan. The charter should be concise enough that stakeholders can quickly review and approve it. The project charter formalizes the project and gets all parties aligned on the goals and approach. That's why it's critical to get sign-off and approval from key stakeholders like the project sponsor, core team members, and any executives or clients involved. Their buy-in ensures everyone is on the same page before moving forward. Every project should tie back to the overarching goals and strategic priorities of the organization. Professionals with Six Sigma certification are trained to align projects with organizational strategy, ensuring initiatives directly contribute to operational excellence and waste reduction. The charter should clearly define the roles, responsibilities, and level of involvement of the project manager, team members, stakeholders, and any steering committees or governance bodies. Establishing this upfront avoids confusion and territoriality issues later on. No project plan is complete without identifying potential risks, assumptions made, and constraints that may impact scope, schedule, or resources. Calling these out in the charter makes everyone aware of them from the get-go. Most organizations have a standard project charter template they use to ensure consistency across projects. Using the same template makes it easier for stakeholders to navigate charters for different initiatives. It also ensures all the essential elements get captured. The project charter shouldn't be considered an unchanging, static document. It should be reviewed periodically and updated if there are any major changes to the project's scope, timeline, budget, or other key details. Keeping it up-to-date maintains transparency. Having the right first document called a "project charter" proves pivotal for any project's success. It officially permits launch while outlining essential specifics like targets, guidelines, and team coordination. This creates and helps maintain smooth progress. Engaging stakeholders fosters unified comprehension, underpinning optimized results. 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All Rights Reserved A project charter includes an overview, the scope, an approximate schedule, an outline of necessary resources, and an estimated budget. A project manager generally writes the charter. Project sponsors approve it. "As a rule, the project's sponsors are responsible for creating the charter," says Nick Vashkevich, the Head of Services at Akveo. "However, they usually delegate the duty to project managers who define objectives, create a roadmap, and distribute responsibilities within the team. It's a good idea to show the final version to stakeholders and sponsors to confirm that you and specify the deliverables, goals, and success criteria for your project before you start."Project Charter ElementsWho Is Responsible for Determining?OverviewProject ManagerScopeProject SponsorScheduleProject Manager and Project SponsorBudgetProject Manager and Project SponsorStakeholdersProject Manager Typically, a project charter should answer questions such as the following:What will this project accomplish?How much time and money is the project expected to cost?What are the benefits of project completion?Who is in charge of the project?What is the project's priority level? To answer each of these questions, your project charter is clear and contains adequate information that can propel the project forward. It should be simple enough that everyone can understand it," says Will Cannon, the Founder of Signaturely. For more information about project charters and why you might need one, read our guide to project charters. A number of elements are included in a project charter. The sections vary by individual project and company needs. A charter generally includes a title, description, high-level estimate of necessary budget and resources, and who is responsible for the project.Project charters may also include information such as communication and visibility plans, links to project dashboards, and shared resource spaces. They can also feature risk statements and assessments, relationships to other proposed or completed projects, return on investment (ROI) and sales forecast information, and future plans. The six main parts of a project charter are an overview, an outline of the project's scope, an approximate schedule, a list of anticipated risks, an estimated budget, and a list of key stakeholders. Overview: Outline what the project entails and what it should accomplish. Identify dependencies on other projects. Be sure to include how you will measure its success. Provide a summary of what is important, what is not.Schedule: Build a rough schedule with estimates for milestones and deliverables. Risks: Highlight any anticipated risks or potential roadblocks.Budget: Create a rough budget that lists the resources needed to complete the project.Stakeholders: Make a list of key stakeholders, their titles, and basic contact information.To learn more about how to identify and avoid risks, read our guide to project management. A well-crafted project charter helps a project run from start to finish. Be sure to include features of physical project elements, labor time and cost, and any additional resources you may need. Your budget should always include room for unforeseen events and emergencies, which can increase project costs dramatically if they arise. "A project manager who underestimates the need for human resources, for example, can directly lead to cost overruns," explains Dale. "In this example, if a project requires more labor than originally envisioned, or if a specialty or talent not found in the organization must be outsourced, the entire cost of the project may increase. Furthermore, if a project manager allocates tasks to employees that are unsuited for specific project stages, the work may take longer to complete, or the quality may be compromised and the procedures repeated by someone else, resulting in cost overruns for labor." List all stakeholders with their roles and responsibilities. "A clear definition of goals, roles, and responsibilities eliminates confusion among the team and management," says Vashkevich. Consider creating a communication plan, and providing a link to that information. Creating this plan at the project's outset ensures that preferred contact frequency and communication style are available to everyone.Once you complete the project charter, be sure to add a section for project approval by sponsors. "When the charter is written well, it assists executives in recognizing the project's benefits. They can reference the charter at any time to see how well the project fits within the company's overall strategy," says Cannon.When you're ready to create your own project charter, check out our free project charter template and guidelines. Empower your people to go above and beyond with a flexible platform designed to match the needs of your team — and adapt as those needs change. The Smartsheet platform makes it easy to plan, capture, manage, and report on work from anywhere, helping your team be more effective and get more done. Report on key metrics and get real-time visibility into work as it happens with roll-up reports, dashboards, and automated workflows built to keep your team connected and informed. When teams have clarity into the work getting done, there's no telling how much more they can accomplish in the same amount of time. Try Smartsheet for free, today. Try Smartsheet for Free Get a Free Smartsheet Demo How can financial brands set themselves apart through visual storytelling? Our experts explain how.Learn MoreThe Motorsport Images Collections captures events from 1895 to today's most recent coverage.Discover The CollectionCurated, compelling, and worth your time. Explore our latest gallery of Editors' Picks.Browse Editors' FavoritesHow can financial brands set themselves apart through visual storytelling? Our experts explain how.Learn MoreThe Motorsport Images Collections captures events from 1895 to today's most recent coverage.Discover The CollectionCurated, compelling, and worth your time. Explore our latest gallery of Editors' Picks.Browse Editors' Favorites For professionals pursuing Six Sigma certification, understanding how to develop a robust project charter is critical, as it aligns with the methodology's emphasis on structured problem-solving and measurable outcomes Outlining timelines, budgets, and success benchmarks transparently imbues project outlook and importance. Project Charter proves vital to kickstart projects properly authorized and mapped fully for thriving preparation, execution, and surveillance. A well-crafted charter acts as a reference across time, informing stakeholders wisely as evolutions unfurl and letting them navigate safely hand-in-hand. A project charter plays an important role by officially approving projects and outlining what matters most about them. It is a central reference guiding teams, interested parties, and funders through projects from start to end. Key elements of a project charter are Objectives, boundary lines, results, time restrictions, budgets, potential risks, and standards to crown success. Thorough charters establish agreement, clarity, and accountability among all participants. This maintains harmony as work advances and transpires. A project charter officially permits commencement and establishes a preliminary frame around core components needed for guiding the journey ahead. It serves as a reference, aligning outlooks, confirming purposes, scope, and constraints to unite the parties involved, and kickstart a project successfully. Typically among initial deliverables when establishing the project, it outlines high-level needs, assumptions, and boundaries guiding crews' piloting. Proper inauguration prevents scope bloat plus ensures alignment with strategic visions steering progress right from the embarkation. 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The scope statement delineates the boundaries of the project, specifying what will be included (deliverables) and what falls outside the scope (constraints). It helps manage expectations and prevents scope creep, which can derail projects. The scope should align with the stated objectives. This section outlines the major milestones, deadlines, and a high-level project schedule. It sets expectations for when key deliverables will be completed and provides a roadmap for tracking progress. Identifying and defining the roles of key stakeholders, including the project sponsor, project manager, core team members, and other impacted parties, is crucial. This section clarifies responsibilities and establishes lines of communication and decision-making authority. All projects involve assumptions (e.g, resource availability, technology requirements) and potential risks that could impact success. Documenting these upfront allows for proactive risk management and contingency planning. This section outlines the estimated budget, including costs for personnel, materials, equipment, and other expenses. It also specifies the required human resources, subject matter experts, and any special skills or training needed. The governance model defines the project's decision-making hierarchy, escalation paths, change control processes, and quality assurance measures. Those with Six Sigma certification will recognize the governance model's alignment with DMAIC (Define, Measure, Analyze, Improve, Control) principles, ensuring rigorous quality control. Creating a comprehensive project charter is crucial for the success of any project. It serves as a formal document that establishes a partnership between the project team and key stakeholders. Here are the typical steps involved in creating an effective project charter: The first step is to clearly articulate the purpose and justification for initiating the project. This includes describing the business needs, problems or opportunities addressed, expected benefits, and strategic alignment with organizational goals. Outline the major deliverables, requirements, constraints, and boundaries of the project. This helps the project team manage expectations and prevent scope creep. Determine all the people or groups that have an interest in or will be impacted by the project. This includes the project sponsor, customers, subject matter experts, and any others who need to be consulted or informed. Clearly assign roles such as project manager, team members, advisors, decision-makers, etc., and delineate their respective responsibilities. This ensures accountability and avoids confusion later. Provide a realistic timeline with major milestones and deadlines based on the project scope. Also, estimate the total budget required including costs for labor, materials, equipment, etc. Identify potential risks that could impact the project along with mitigation strategies. Document any assumptions being made about resources, environment, constraints, etc. Once drafted, the project charter needs formal approval and sign-off from the project sponsor, key stakeholders, and governance bodies. Their commitment is critical for successful execution. The project charter plays a crucial role in the project initiation phase. The project charter formally authorizes the project and provides the project manager with the authority to utilize organizational resources for project activities. A Green Belt certification equips project managers with tools to execute charters effectively, balancing stakeholder needs with data-driven decision-making. During initiation, the project charter validates the project such as its purpose, objectives, scope, constraints, assumptions, and stakeholders. This gives the project team a clear understanding of what needs to be accomplished right from the start. The charter serves as the source of truth that the team can refer back to throughout the project life cycle. As the project moves into the planning phase, the charter guides the detailed planning of activities, schedules, budgets, quality metrics, and more. The project scope, objectives, constraints, and assumptions documented in the charter inform the planning process. During project execution and monitoring/controlling, the charter provides the baseline for tracking progress against the original intended project objectives, scope, timeline, and budget. Any changes to these baselines are documented and approved through formal change control processes. Finally, in the project closing phase, the charter is reviewed to ensure all deliverables and success criteria are met according to the original business justification and requirements. Lessons learned are documented and applied to improve the chartering process for future projects. Creating an effective project charter requires following some key best practices. Here are some tips to keep in mind: The project charter should be a clear, high-level document that captures the essential details about the project's scope, objectives, stakeholders, and requirements. Avoid getting too bogged down in minute details that are better left for the project plan. The charter should be concise enough that stakeholders can quickly review and approve it. The project charter formalizes the project and gets all parties aligned on the goals and approach. That's why it's critical to get sign-off and approval from key stakeholders like the project sponsor, core team members, and any executives or clients involved. Their buy-in ensures everyone is on the same page before moving forward. Every project should tie back to the overarching goals and strategic priorities of the organization. Professionals with Six Sigma certification are trained to align projects with organizational strategy, ensuring initiatives directly contribute to operational excellence and waste reduction. The charter should clearly define the roles, responsibilities, and level of involvement of the project manager, team members, stakeholders, and any steering committees or governance bodies. Establishing this upfront avoids confusion and territoriality issues later on. No project plan is complete without identifying potential risks, assumptions made, and constraints that may impact scope, schedule, or resources. Calling these out in the charter makes everyone aware of them from the get-go. Most organizations have a standard project charter template they use to ensure consistency across projects. Using the same template makes it easier for stakeholders to navigate charters for different initiatives. It also ensures all the essential elements get captured. The project charter shouldn't be considered an unchanging, static document. It should be reviewed periodically and updated if there are any major changes to the project's scope, timeline, budget, or other key details. Keeping it up-to-date maintains transparency. Having the right first document called a "project charter" proves pivotal for any project's success. It officially permits launch while outlining essential specifics like targets, guidelines, and team coordination. This creates and helps maintain smooth progress. Engaging stakeholders fosters unified comprehension, underpinning optimized results. Following the finest habits like standardized formatting, exhaustive exploration, and distinct feedback streamlines chartering while warding off confusion or clashes later. Charter-crafting calls for teamwork and diligence — a cornerstone letting projects progressively flourish. It's powers optimized, seamless projects to perform for the designed purpose. Before a project even begins, a project charter is. It is the foundation stone that determines the project's purpose, scope, and direction, setting the stage for everything that follows . Think of it as the project's birth certificate—a concise yet powerful declaration that aligns stakeholders and empowers the team to act. But what makes a project charter truly effective? In this article, we'll break down the essential elements of a project charter, showing you how to craft one that launches your project with clarity and confidence. What is a Project Charter? The project charter is the document issued by the project initiator or sponsor that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to project activities. Why do You Need a Project Charter? A strong project charter sets up a project for success from the organizational level (above the project), and establishes a high performance culture for the project. Who Creates the Project Charter? The project charter is the ideal person to create the project charter, since they are one level above the project. In practice, though, project managers (below the project sponsor) or executives (above the project sponsor) often create it. However it's done, the important thing is that the project is put upon a solid foundation for success. What Are the Parts of a Strong Project Charter? It documents the business needs, assumptions, constraints, the understanding of the customer's needs and high-level requirements, and the new product, service, or result that it is intended to satisfy, such as: Project purpose or justification Measurable project objectives and related success criteria High-level requirements Assumptions and constraints High-level project description and boundaries High-level risks Summary milestone schedule Summary budget Stakeholder list Project approval requirements (i.e. what constitutes project success, who decides the project is successful, and who signs off on the project Assigned project manager, responsibility, and authority level, and Name and authority of the sponsor or other person(s) authorizing the project charter Often a contract between an owner organization (such as an oil company) and a project management organization (such as an engineering firm) can seem to take the place of a project charter. But a project charter should not be substituted by a contract because there is no exchange of money. The contract states the project's firm deliverables, whereas the project charter has the foundation of strong leadership from the performing organization. When everyone knows why the project is being performed, they can be laser focused on the end result. Measurable project objectives and related success criteria. A statement of the project's goals and criteria for success creates a strong statement of what the company is expecting from the project. It ensures everyone is working toward the same goal and is clear on what those goals are. High level requirements There are several components which have a place within the project charter (i.e. above the project) as well as the project management plan (i.e. within the project). The project requirements are envisioned by the organization can be placed within the project charter to make it clear what the organization is thinking by creating the project. Assumptions and constraints Many project issues arise from unclear assumptions, and many of these assumptions are clear to the management of the organization before they create the project. Therefore, they should be stated within the project charter and thereby passed down to the project management plan. High-level project description and boundaries A high level scope is generally defined, if not on paper than in the executive's minds, well before the project begins a project charter makes it crystal clear what the project creators are thinking. It should not, however, be considered a final project scope. High-level risks Most projects have one or two major risks that define the project. For example a structural failure or a bridge overpass project, or website payment software that contains security glitches. These are the risks that are fundamental to the project's success and are generally thought about before the project becomes a project. Therefore, they should be included within the project charter, but they should not take the place of a risk analysis within the project management plan. Summary milestone schedule Most projects have milestones that are defined by executives before the project becomes a project, whether explicitly stated or implied. For example a mine access road needs to be completed before construction equipment can move in. These milestones define the project risk and should therefore be placed within the project charter, however they do not take the place of a detailed project schedule during the project planning stage. Summary budget All projects are created in the context of organizational budget. This context should be communicated within the project charter to define the project in order to pass on the budgetary constraints into the project planning phase. Stakeholder list Most projects have one or two major stakeholders that need kind of attention. For example a project for a new coal mine that requires a golf course to be built as part of the project's deal to make sure it works very closely with the golf course. Although the project charter is not the appropriate place for a comprehensive list of all stakeholders, the ones that are of primary importance to the project should be identified. Project approval requirements Because most projects require approval from external authorities, those approvals which will have a major impact on the project can be explicitly stated within the project charter. For example, in the mine building project mentioned above, the government approval for mine construction is so integral to the project that it could be mentioned in the project charter. The project charter is not the place for a comprehensive list of approval requirements, however. Assigned project manager As stated in the PMBOK above, one of the primary purposes of the project charter is to assign responsibility to the project manager. Therefore, the project manager should be named and their authority to use organizational resources should be clear. Project Sponsor The project sponsor is one level above the project manager, often an organization contact for the project. They should be named and their responsibilities in regard to the project made clear.