SD5953

Successful Project Management

The Project Charter

School of Design

The Polytechnic University of Hong Kong

IMPORTANT

Please sit with the members of your final group project

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What is a Charter?

char·ter [chahr-ter] **?** Show IPA

noun

1. a document, issued by a sovereign or state, outlining the conditions under which a corporation, colony, city, or other corporate body is organized, and defining its rights and privileges.

2. (*often initial capital letter*) a document defining the formal organization of a corporate body; constitution: *the Charter of the United Nations.*

3. authorization from a central or parent organization to establish a new branch, chapter, etc.

4. a grant by a sovereign power creating a corporation, as the royal charters granted to British colonies in America.

5. Also called **charter party**. a contract by which part or all of a ship is leased for a voyage or a stated time.

http://dictionary.reference.com/browse/charter

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Charter

In Practice: Hong Kong Basic Law

> 4. "The common law" intends English common law as it was received and developed in Hong Kong, and as it was prior to February, 1990. For example, article 31 of the Basic Law guarantees freedom of movement, in, out of, and into Hong Kong.[42] Blackstone's Commentaries and the Magna Carta of 1215 are common-law authorities in Hong Kong. Book 1 of Blackstone's Commentaries explains the common-law right of movement,[43] and Magna Carta chapters 41 and 42 set forth the common-law right of international travel, so those authorities may be used to interpret article 31 of the Basic Law.

http://www.tubechop.com/watch/962428

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Charter

Project Management Focus

A project charter formally recognizes the existence of the project. It comes in many sizes with several elements.

Charters can take many forms, but at a minimum it should contain a scope statement and target dates and cost, and establish the authority of the project manager. Without this document, it could be very difficult to get any decision made or run a successful project.

To succeed as a project manager, it is important to establish a project charter. If you are given the project from the beginning or you are taking one over from someone else, create one. It will help establish the ground rules and start the communication between you and your sponsor in the right direction.

http://www.netplaces.com/project-management/project-initiation-you-have-to-start-somewhere/creating-the-playbook-project-charter.htm

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The Project Charter

- The Project Charter is something that the project manager produces very early in the project process, typically right after their sponsor has indicated an openness towards a high level document like an Executive Summary or a Framing Exercise.

- The Project Charter outlines the import and impact of the project to the attention of the sponsoring organization. At the same time, it also incorporates a methodology of measuring, guiding and/or managing the expectations that being at the "front of mind" of the organization can bring.

The Project Charter

- The project charter helps to avoid social or political problems. It is the Project Managers best (and often, only) opportunity to inform the organization about the ideal CULTURE they feel will be best for themselves and the project they will lead.

- With the Project Charter, the Project Manager can build a common concept of the project across the organization, focus everyone on its ultimate goal and muster the support, power and resources the project needs to be a success.

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Charter Contents

The charter contains sections that individually address the six major areas of project failure:

1. Scope Expectations
2. Resource Availability
3. Change Control
4. PM Authority
5. Assumptions
6. Risks

Scope Expectations

- The Scope is used to gain mutual agreement with the customer regarding the deliverables of the project.

- The project deliverables must be able to be quantifiably and independently measured by all parties involved.

- Project deliverables, once formalized are thereafter used to drive project planning.

- This helps to control or eliminate <u>scope creep</u>, a major danger.

Scoping Example

The objective of the scoping session is to gain agreement on a clear, simple, measurable expression of the desired project deliverable.

"That's a hard one," the Customer says, frowning in thought. "Some complex data requests will take time- a day or two, others just a few seconds."

"Well, how about we set the goal at 80% of the requests are answered in 10 minutes or less?"

The Customer grins and says, "How about 95%?"

You smile back and say, "It will take a lot longer to get that close to perfection. What percentage are we answering within 10 minutes now?"

The Customer frowns again and says, "About 1%. Let's go with 80%; that'll be a great improvement."

By exclusion, it also defines what will not be delivered

Resource Availability

Resources for Projects generally fall into four (4) broad categories:

- Resources related to **Tangible and Intangible Assets**
- Resources related to **People (Human Resources)**
- Resources related to **Money**
- Resources related to **Time**

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Change Control

This is the section that describes the methodology use to alter the project after the fact:

- How changes to the project are **proposed**
- How changes to the project are **considered**
- How changes to the project are **approved**
- How changes to the project are **integrated**
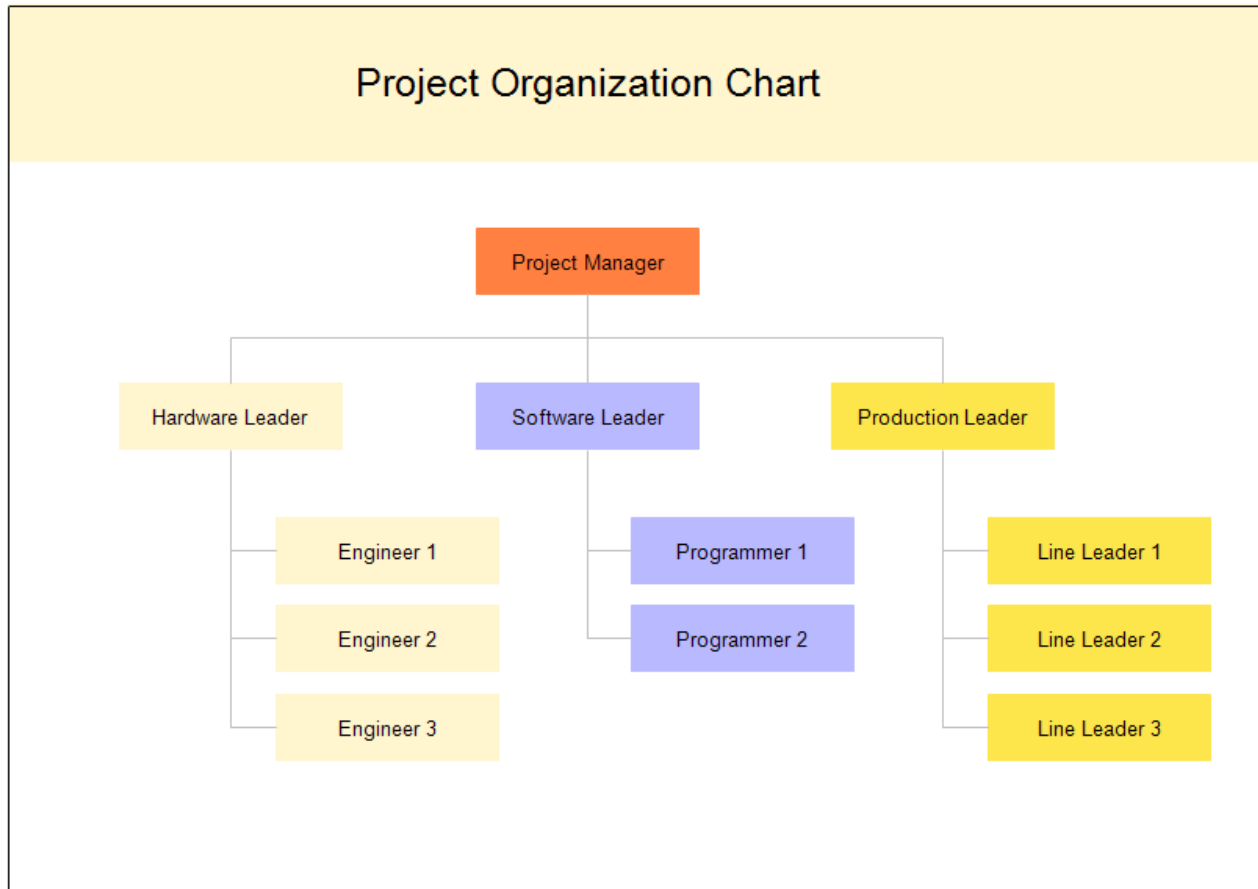- How changes to the project are **published**

PM Authority

Projects often have layers of authority. Everyone involved needs to know the chain of command so that they know where to go to obtain specific approvals. An organization chart solves this issue.

Everyone involved in a project understand who has decision-making authority, who doesn't and how far their decision-making authority extends. A written policy can help here.

It is also valuable to have an arbitration process in the case of a serious internal difference of opinion (a "deadlock").

http://www.netplaces.com/project-management/assembling-the-best-project-team/who-has-the-authority.htm

Organization Chart

Project Organization Chart

Assumptions

In Practice: Nassim Taleb:

The London expression derives from the Old World presumption that all swans must be white because all historical records of swans reported that they had white feathers.[4] In that context, a *black swan* was impossible or at least nonexistent. After Dutch explorer Willem de Vlamingh discovered black swans in Western Australia in 1697,[5] the term metamorphosed to connote that a perceived impossibility might later be disproven.

http://www.tubechop.com/watch/962418

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Assumptions

Making assumptions in Project Management helps to phrase the project scope, which directly affects the schedule and budget.

Consider a coffee table book. A budget needs to be prepared. For that to happen an assumption regarding the size needs to be made, generally with the size of other, similar books used as a reference. Note that assumptions need to be constantly checked against the actual project as it blossoms, to ensure they remain valid over the life of the project – otherwise they become a RISK.

http://management.about.com/od/projectmanagement/a/scope-assumptions-risk.htm

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Assumptions

Project Management Focus:

Think of **Assumptions** as constant inputs with anticipated continuing availability as "normal" because these inputs are currently available, already assigned or committed to the project:

- The size and shape of things
- The conditions, durations and timing of things
- The availability of people, assets, materials and supplies

Risks

In Practice: Donald Rumsfeld:

> 66 There are known knowns; there are things we know we know.
> We also know there are known unknowns; that is to say, we know
> there are some things we do not know.
> But there are also unknown unknowns – the ones we don't know
> we don't know. 99
>
> —United States Secretary of Defense, Donald Rumsfeld

https://youtu.be/GiPe1OiKQuk

Risks

Risks

You won't get any support if you present a list of 46 risks, particularly if you don't have actions plans for avoiding or mitigating those risks.

The better approach is to identify 3-4 big risks that threaten the project scope and offer explicit plans to avoid or mitigate those risk. Then you talk about their impact and ask for approval of your proposed risk responses. You might present the following:

"Turnover among or engineers is running 22% over the last 12 months. If the engineers on the project team have that same turnover rate, the project duration will increase by 6 months. I propose to offer each of the ten engineers a project completion bonus of $2,000 if they stay until project completion. I also recommend that I spend the time to identify a engineering firm that can replace our turnover losses. I think this cost is reasonable given the consequence for the organization of the project being 6 months late.

http://4pm.com/articles/charter.pdf

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Risks

Project Management Focus:

Think of **Risks** as a counter-point to **Assumptions**. What challenges, scarcity or upheaval could potentially threaten the major inputs previously considered available, assigned or committed to the project?

Risk analysis should be limited to those major inputs whose absence would jeopardize the entire project and lie in the realm of immediate possibility. Of course, this rule also applies to **Assumptions**.

Risks

Risk Management Grid:

Project Risk Management Qualitative or Quantitative Risk Template							
Risk event	**Probability of Occurrence**			**Magnitude of Impact**			**Risk Response**
	Medium	High	Low	Medium	High	None	Type of Action

http://4pm.com/articles/risk.html

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The Project Charter

A Format For You To Follow

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Assignment

Please Finalize and Submit Your

Project Charter

to **polyusd5953@gmail.com** by
11PM HKT, SUNDAY FEBRUARY 24

USE THE FORMAT DETAILED IN THIS LECTURE

Deviations will be noticed - Lateness will be noticed

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Questions?

Thank You