



Continuous Improvement Toolkit

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Project Charter

A **Project Charter** is a one page document that summarizes the fundamental information of a project before it begins. It clarifies the project objectives and scope, addresses the needs of the [stakeholders](#), and defines the roles and [responsibilities](#) of the project team. The information in the project charter is critical for obtaining leadership support and commitment to provide the necessary funding and resources. Once signed, it authorizes the project leader to formally start on the project and use the necessary resources and funding to complete the project successfully.



A project charter establishes a shared understanding of the project scope and objectives, and enables all stakeholders to review the project and commit to support. It acts as a contract between the project sponsor, key stakeholders and the project team. It also communicates the objectives to those outside the project team and serves as a reference for future projects. It ensures that the project is business focused, well scoped,

executed in a timely manner, have the necessary support and resources, to deliver the desired business benefits.

Although project charters are short and brief, they may refer to more detailed documents. The components will vary depending on the methodology used, but often include: problem and goal statements, scope and boundaries, business impact, project team, and the time frame required for executing the project. Project charter should provide answers to the following:

Problem	Goal
Team	Scope
VOC	Metrics
Time frame	Signatures

Key Charter Elements

- **What** must be done?
- **Why** doing it?
- **What** are the benefits of implementing the project?
- **When** must it be done?
- **Who** is involved?

Key Charter Elements:

A problem exists when there is a difference between where we are and where we want to be. The **problem statement** should be brief and specific, and describes what is the impact on the customer when it occurs. It should not include background information nor does it discuss the causes or solutions.

A **goal statement** responds to the problem statement and defines the target for the project. It should be brief, specific and clearly

Goal Statement Example:

“Reduce oil losses of the manual refilling process of the forming machines in line #4 to less than 1% per drum by the 30th of October”.

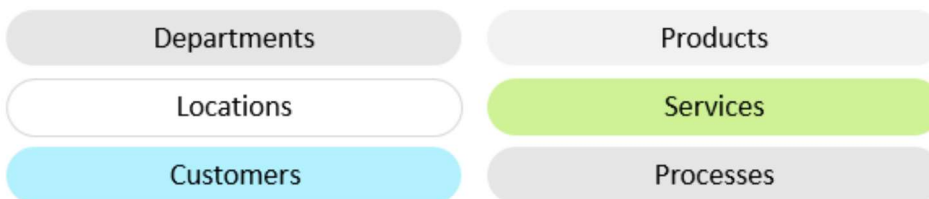
define the purpose of the project. It is often written in the following format: “improve **(primary metric)**

Specific, measurable and time bound!

from **(baseline performance)** to **(desired future performance)** by **(desired date of completion)**”. Avoid using technical terms when writing problem and goal statements.

A **project team** is often composed of a dedicated project leader and team members from cross functions. The project leader provides the purpose, communicates and facilitates, monitors and **tracks**. The team members are responsible for executing the project activities to produce the desired deliverables. Many projects often have a project sponsor to facilitate the provision of the necessary resources to execute the project.

A **project scope** defines what is involved in the project and what is not. It is important to identify the products, services, processes, departments, locations, lines and customers during the project definition phase. Avoid the temptation of expanding the scope of the project or you will not be able to complete the project within the allocated time. Moreover, more resources will be required and the **action** and control plans will be too detailed.

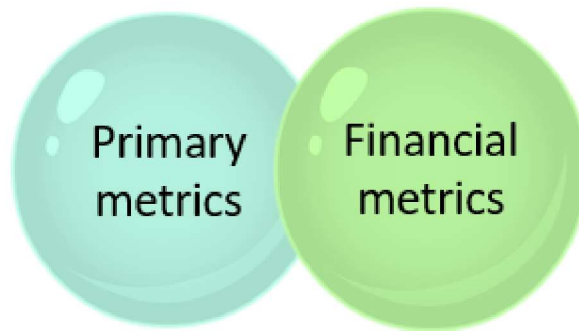


It is important to identify what is involved in the project and what is not

Customers are the elements that identify the need for executing the project. It is important to take the **Voice of the Customer** into consideration during the project definition

phase. A customer representative may be needed to evaluate the outcomes of the project definition process and provide feedback as necessary.

Using **project metrics** brings attention to the future progress and results. It keeps the team focused to achieve the project



goals and expectations. The success of any project is often measured by a **primary metric**, a financial metric or both. Tracking these metrics is important not only during the project period but also several years after the project completion.

The **time frame** is the time required to complete the project. It is often represented by the start and expected completion dates. It is possible to assign approximate completion date, you need, however, to revise it as the project progresses.

It is important to obtain approval by letting key stakeholders to view and sign the project charter. **Signing** on the project charter serves as a formal approval of the project and empowers the project leader to proceed with the project.

Other Elements:

A project charter may also contain the following:

- The key **stakeholders** affected by the project, and their expectations and concerns.
- The implementation **methodology** of the project.
- Project **cost and benefit analysis**.
- **Risk assessment** of the planned activities.

- Assumptions, constraints and dependencies.
- The project **deliverables** at every stage.
- The **milestones** of the project.
- A **communication** plan.
- The required **resources** needed for the project to be succeed, including the source of funding.
- A **go/no go decision** to decide whether to move forward with the project as defined or to stop.

Stakeholders	Methodology
COPQ	Benefits
Risks	Deliverables
Milestones	Resources

Other Elements

PROJECT CHARTER		
Project Title:		
<u>Problem Statement:</u>	<u>Goal Statement:</u>	<u>VOC:</u>
<u>Project Team:</u> Leader: Team member1: Team member2: Team member3:	<u>Project Information:</u> Project start: Project end: Project approach: Project scope:	<u>Key Metrics:</u> : : <u>Resources:</u> : :
Milestones:		
Signatures: _____		

Project Charter Template Example

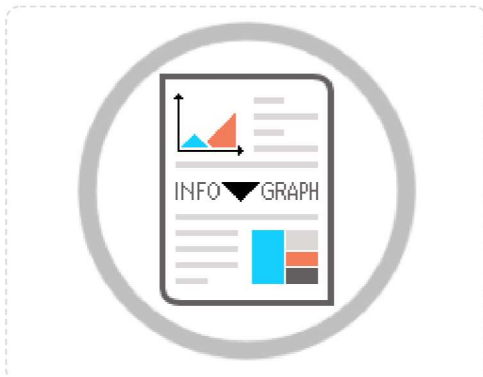
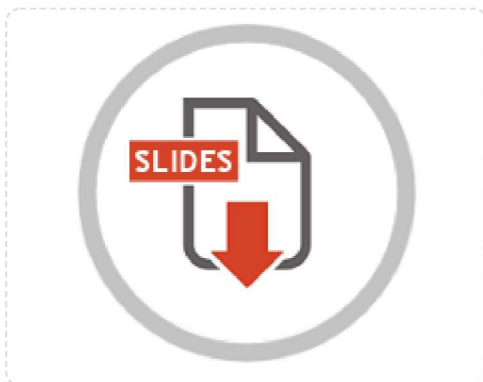
How to Prepare an Effective Project Charter

- A project charter should be developed as a collaborative effort.
- It should be clear and concise (preferably one page).
- It should be customer focused and addresses their specific needs and expectations.

- It should contain realistic and achievable objectives (use the [SMART checklist](#)).
- It should be dealt with as a live document during the project lifetime.
- It should be updated as the project progresses.

There are many tools that can help to chart your project. The simplest way is to use this [excel worksheet](#).

Other Formats

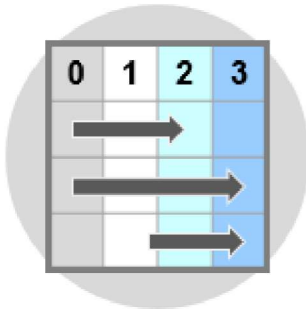


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





Project Charter

<i>Charter</i>	
Problem	Solution
Benefits	Method
Team	

Project Tracking

Project1	40%	Measure
Project2	100%	Completed
Project3	0%	Not Started
Project4	90%	Control
Project5	65%	Analyze
Project6	100%	Completed

Improvement Roadmap

Goal	1st	2nd	3rd	
				
				
				

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