

# Examples of Project Charters

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Project charters can come in many forms. Review these examples and determine if they constitute a project charter. If not, what would be needed to make them a charter? Answers appear at the end.

## Spec Received from Owner

As General Contractor, you received the specifications for an office building that needs to be constructed. The package contains information about the building site, plans for the building to be constructed, a target schedule, and a budget. All the information matches what you had discussed with the owner previously. The budget and schedule are reasonable and achievable. Is this a charter?

## IT Consultant Contract

A contract specifies that ABC Consulting will provide to its customer, XYZ Manufacturing:

- One database analyst at \$700 per day
- One junior graphical user interface (GUI) developer at \$300 per day

The contract specifies that the two people will work for XYZ for three months, starting tomorrow. The contract has been executed; it is signed by senior managers at both ABC Consulting and XYZ Manufacturing. Is this contract a charter?

## Verbal Orders from a Boss

The head of the Facilities department, Mary, calls Sam into their office. Sam reports directly to Mary. Mary says, "Sam, I liked what you did with the artwork in our downtown office. Good job. I need you to do the same thing in our suburban branch office, too. Talk to the branch manager and work up a budget so we can get this started." Does Sam have a charter?

## Sales & Marketing

A manager from the Sales Department approaches a staff person from Marketing. The sales manager gives the marketing staffer a detailed description of a sales campaign, including a signed memo saying when to start the work. In this organization, sales campaigns are run as projects. The sales manager tells the staffer to start the campaign right away. Has the sales manager provided a charter?

## Answers

### ***Spec Received from Owner: Not a Charter***

The specification received contains all of the elements of the charter, except one: a statement authorizing the General Contractor to proceed. The specification contains all the other information a project manager could ask for, but without authorization the project cannot start.

Combine the delivered specification with a signed contract, a phone call, an e-mail, or any other communication clearly authorizing the General Contractor to begin work, and then the project will have a charter. A simple, "You have the job, start work" handwritten by the owner on the front cover would be enough to turn this into a charter.

***IT Consultant Contract: Might Be a Charter***

The example does not give enough information to be certain whether or not this contract is a project charter.

The consultants might be preparing to work on operational issues for the customer. In that case, the document is not a charter because there is no project involved. You cannot have a project charter without a project.

If the consultants were being brought on in order to build a specific function for the customer, then the document could be considered a project charter. Often a signed contract is the best evidence of the authority to proceed with work. In this case, the contract contains no specific information about what the people will do. It would be a much better charter if the contract contained specific information about the work expected at the end of the three months. Very often, though, contracts are written as simple “time and materials” agreements, and the specification of the project is documented outside the contract. The project charter might not be a single document; it could be the signed contract plus other project documentation.

***Verbal Orders from a Boss: Is a Charter (Some May Disagree)***

The definition of “project charter” according to *PMI PMBOK 3<sup>rd</sup> Edition* states that a charter must be a document. According to a strict reading of that definition, Sam has not gotten a charter from his boss, because it was not delivered in writing.

I believe that many successful projects are chartered based on a verbal conversation and a handshake. The initial authorization for the first phase of a project is often very informal. Particularly when a manager is starting up a project for his or her own staff to work on, the manager might choose to ask them to start planning and estimating verbally. The phrase “please look into this for me” has launched many projects in the corporate world.

Aside from being delivered verbally, the employee Sam has gotten all the other elements of a project charter. He knows the scope of the project, because it is similar to what has been done before. He has a clear understanding of the limits of his authority – only talk to the branch manager and then come up with a cost estimate; Mary has not authorized him to start the work of redecorating in the branch office yet.

The best way for Sam to turn this conversation into a documented charter is to get this agreement documented in writing. It would be uncomfortable for Sam to insist that Mary deliver the orders in writing. Instead, Sam could document the conversation himself and send it in an e-mail or as a memo to Mary, asking for her confirmation that his understanding of the assignment is correct. When Mary initials the memo or replies to the e-mail with a “Yes, I agree,” then Sam has a documented project charter.

Some people may insist that a project has no charter unless it is documented. I believe a project can be initiated through a simple conversation, and the conversation itself can serve as the charter. Getting the charter in writing, no matter how it was initially delivered, is certainly a best practice for all projects.

***Sales & Marketing: With Enough Authority, It Is a Charter***

In this example, the sales manager has provided in writing all the components of a charter. The only question is one of authority. Does a manager from Sales have authority to start a sales campaign project? Does the Sales manager have authority to appoint the marketing staff person as project manager?

In some organizations, certain departments and certain people have the authority to have work done outside their direct chain of command. If sales managers had full authority to start sales campaigns, and if marketing staff people always serves as project managers for these efforts, then these documents would be a valid charter.

In many organizations, though, there is a division or even a rivalry between Marketing and Sales. In these organizations, a marketing staffer that worked on the sales manager’s campaign might be told that he or she is not doing his or her job.

It is critical that the project charter be issued by someone high enough in the organization and with sufficient authority to support the full project. If the sales manager has that level of authority, this is a charter. If the sales manager lacks authority, this is not a charter.

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