



Continuous Improvement Toolkit

Project Charter



The Continuous Improvement Map





Project Charter

One page document that summarizes the fundamental information of a project before it begins





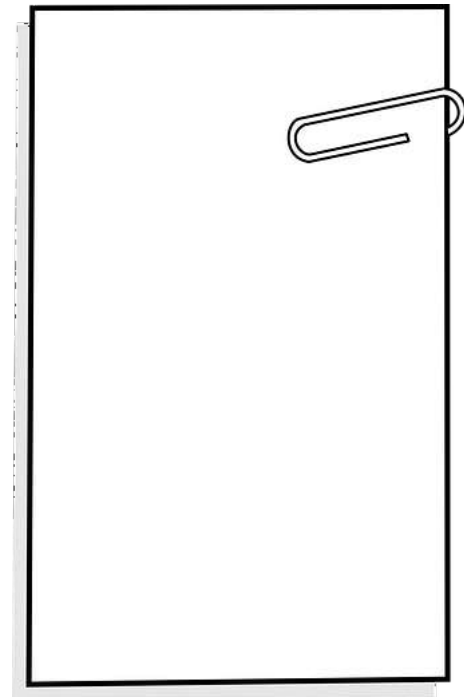
Project Charter

Clarifies the project **objectives** and **scope**

Addresses the **needs** of the

stakeholders Defines the **roles** and

responsibilities





Project Charter

The information in the project charter is critical for obtaining **leadership support** and commitment to provide the necessary funding and resources





Project Charter

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





Project Charter

Although project charters are short and brief, they often refer to more **detailed** documents



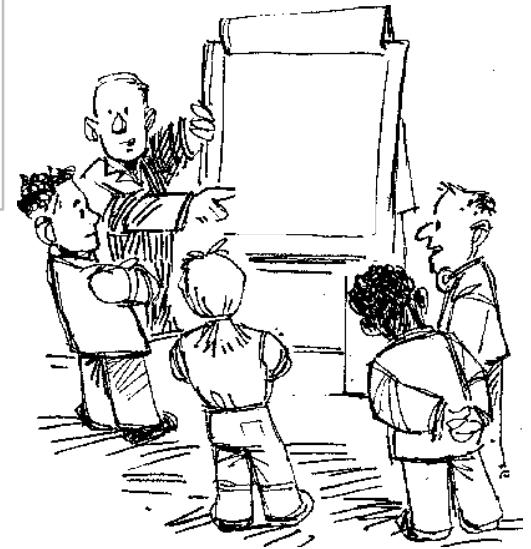


Project Charter

Benefits

Establishes a **shared understanding** of the project scope and objectives

Enables all stakeholders to **review the project** and commit it





Project Charter

Benefits

Acts as a **contract** between the project sponsor, key stakeholders and the project team





Project Charter

Benefits

Communicates the objectives to those outside the project team

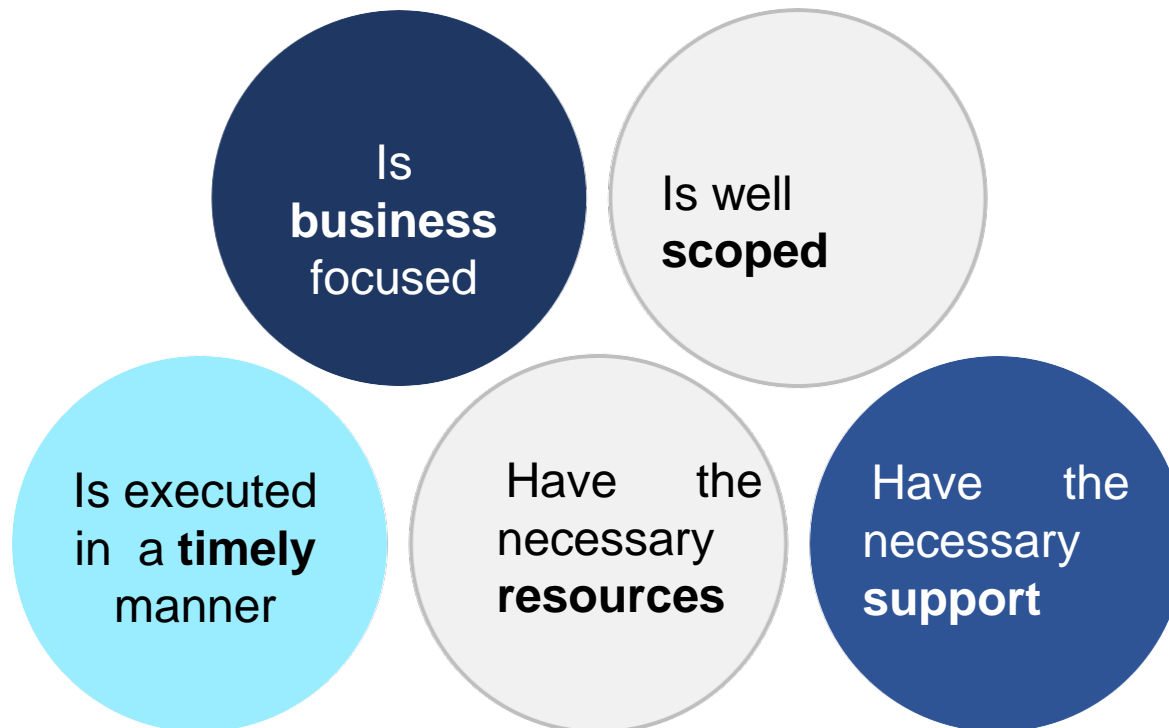
Serves as a **reference** for future projects





Project Charter

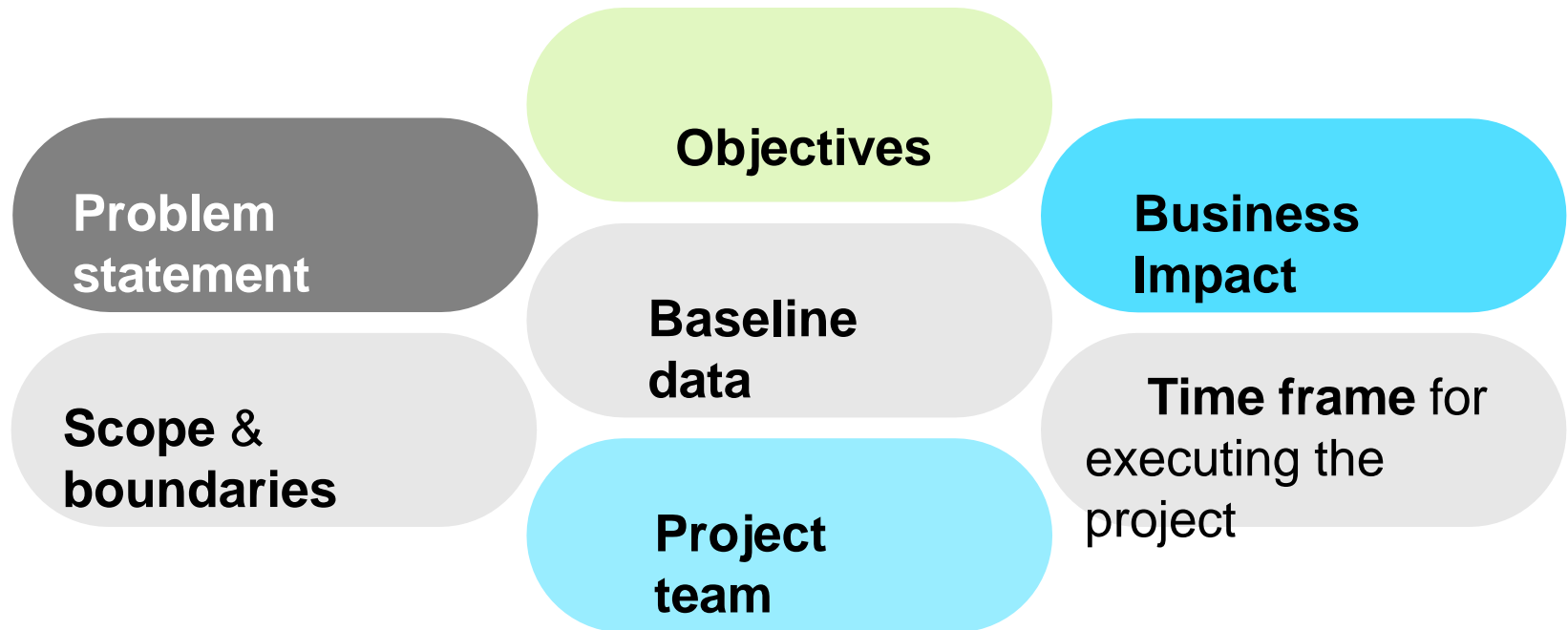
Benefits





Project Charter

The **components** will vary depending on the methodology used, but often include . . .





Project Charter

They should, however, provide **answers** to:

What must be done?

Why doing it?

What are the benefits of implementing the project?

When must it be done?

Who does what?





Project Charter

Key Elements

Problem statement

Goal Statement

Project Team

Project Scope

VOC

Project metrics

Time Frame

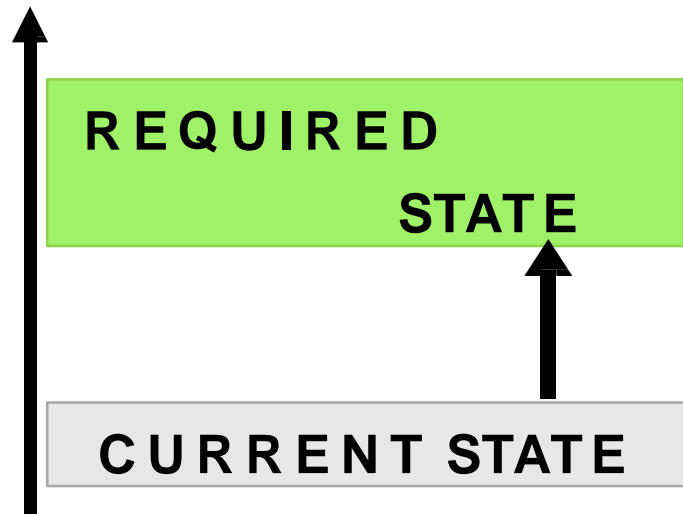
Signature



Project Charter

Key Elements – Problem Statement

A problem exists when there is a difference
between
where we are and **where we want to be**





Project Charter

Key Elements – Problem Statement

**Problem
statement**

VS

**Business
case**

The problem in one
statement

Why the problem
needs to be solved



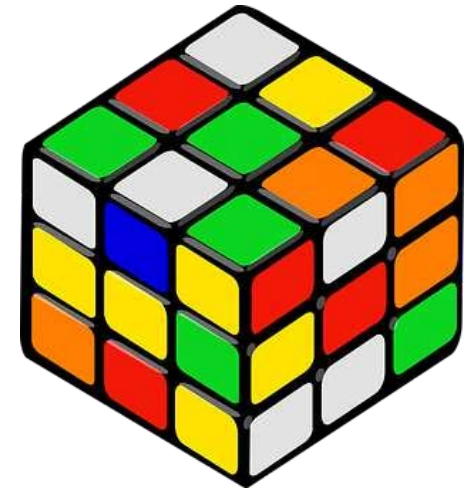
Project Charter

Key Elements – Problem Statement

The business case **should** – describe what is the impact on the customer when it occurs

The business case **may** – describe when and how often the problem occurs

The business case **may** – state the symptoms and their effects





Project Charter

Key Elements – Problem Statement

There is **no right or wrong** way of writing a problem statement

It should be **brief** and specific

It is sometimes written in the following format . . .

- The problem of...
- Is affecting...
- The impact of which is...



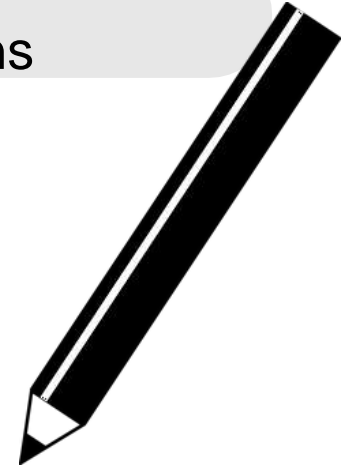


Project Charter

Key Elements – Problem Statement

The problem statement **should not** include background information

It **should not** discuss the causes or solutions





Project Charter

Key Elements – Problem Statement

Should be brief and **specific**

Should not discuss the causes or solutions

Should not include background information

Should be **supported with data**





Project Charter

Key Elements – Problem Statement

Example of a problem statement

The manual oil refilling process using drums in the forming machines in line #4 make it difficult to control oil losses which may reach more than 4% per drum





Project Charter

Key Elements – Problem Statement

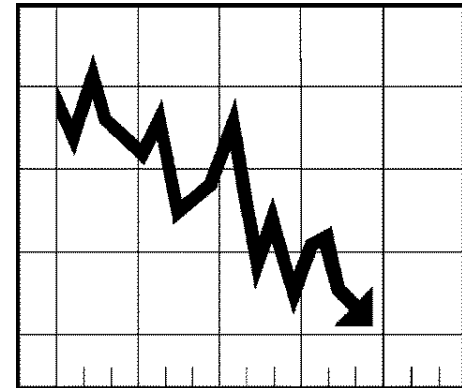
What is the Problem of this Problem Statement:

“The business is not making enough profit”

Not supported with data

Too general

You can't solve all the problems at once





Project Charter

Key Elements – Problem Statement

**No
problem**

**Means
..**

**No
improvement**



Project Charter

Key Elements – Goal Statement

Should **respond** to the problem statement

Should clearly define the **purpose** of the project





Project Charter

Key Elements – Goal Statement

Should be
brief and
specific

Should have
a
measurable
target

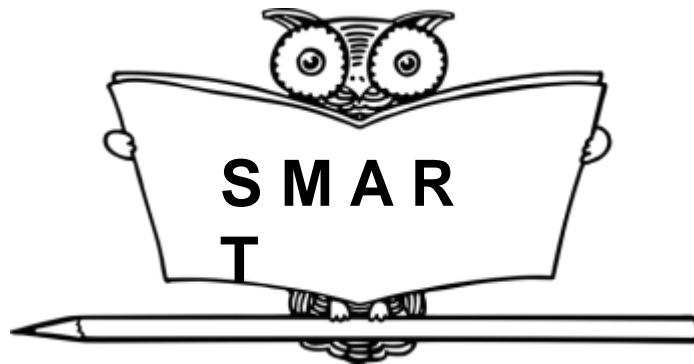
Should start
with a
verb



Increase . . .

Reduce . . .

Eliminate . . .





Project Charter

Key Elements – Goal Statement

It is often written in the following format .

..

Improve **(primary metric)** from **(baseline performance)**
to
(desired future performance)
by **(desired date of completion)**





Project Charter

Key Elements – Goal Statement

Avoid using technical language when writing a goal statement

Avoid suggesting or assuming a solutions





Project Charter

Key Elements – Goal Statement

Specific

Measurable

Time bound

*Defines
the scope*

*Does not refer
to solutions or
causes*

Example of a GOAL statement

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

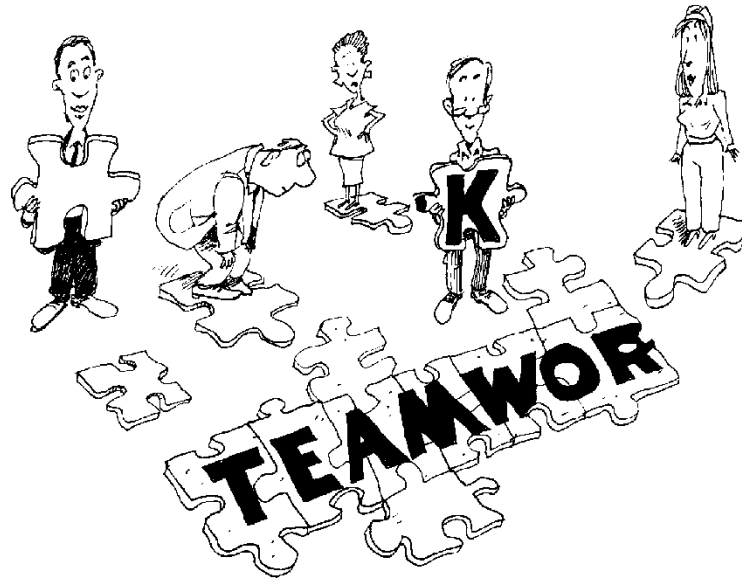




Project Charter

Key Elements – Project Team

Composed of a dedicated **project leader** and **team members** from cross functions





Project Charter

Key Elements – Project Team

The Project Leader . . .

Provides
the
purpose

Establishes
a shared
ownership

Communicat
es and
facilitates

Monitors
and
tracks





Project Charter

Key Elements – Project Team

The **team members** are responsible for executing the project activities to produce the desired deliverables





Project Charter

Key Elements – Project Team

It is also common to have a **project sponsor**

He should have the **authority** to afford the necessary resources and provide support as needed





Project Charter

Key Elements – Project Scope

Defines what is involved in the project and what is not

It is important to identify . . .

Departments

Products

Locations

Services

Customer

Processes



Project Charter

Key Elements – Project Scope

Avoid the **temptation** of expanding the scope of the project . . .

You will not be able to **complete** the project within the allocated time

More **resources** will be required

The **action and control plans** will be too detailed

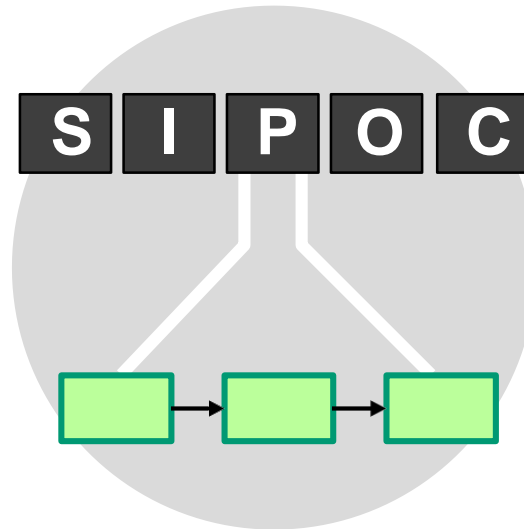




Project Charter

Key Elements – Project Scope

Use **SIPOC** mapping to identify key **S**uppliers, **I**nputs, **P**rocess boundaries, **O**utputs and **C**ustomers





Project Charter

Key Elements – VOC

Customers are the elements that identify the need for executing the project

It is important to take the Voice of the Customer into account during the project definition phase

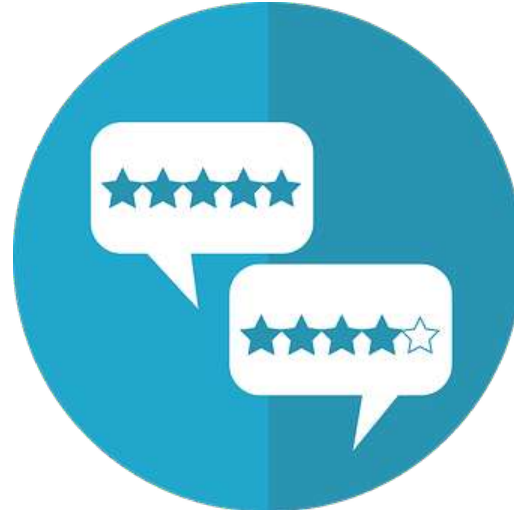




Project Charter

Key Elements – VOC

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





Project Charter

Key Elements – Project Metrics

Bring attention to the future progress and results



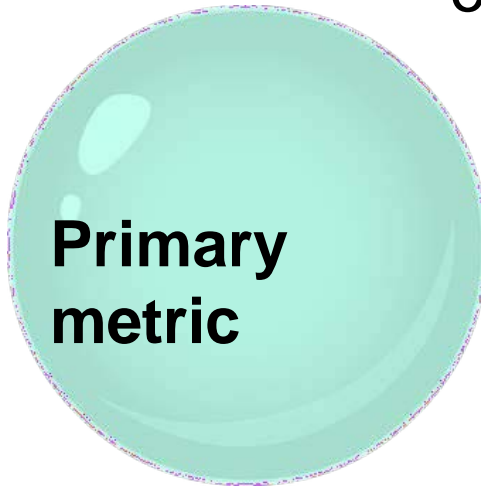
Keep the team **focused** to achieve the project goals and expectations



Project Charter

Key Elements – Project Metrics

The success of any project is measured by each or both of . . .



Tracking these metrics is important not only during the project period but also several years after the project completion



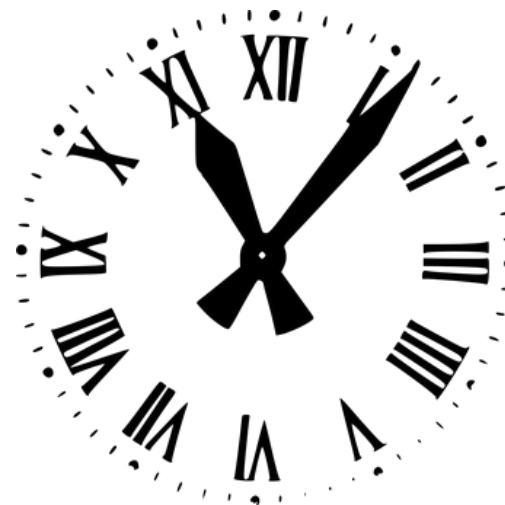
Project Charter

Key Elements – Time Frame

The time required to complete the project

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





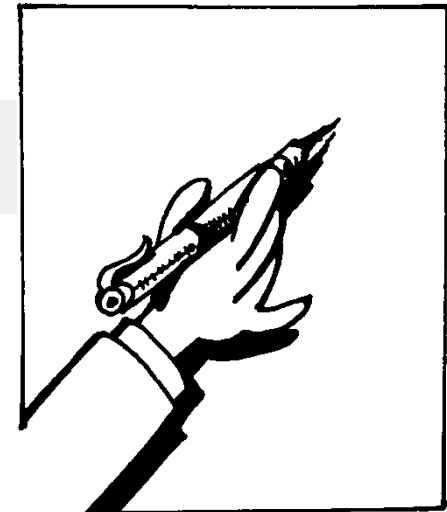
Project Charter

Key Elements – Signatures

Signing on the project charter . . .

Serves as a formal approval of the project

Empowers the project leader to
proceed with the project





Project Charter

Other Elements

Stakeholders

**Methodology
Used**

**Cost
Benefit
Analysis**

Milestones

Deliverables

**Communication
Plan**

**Risk
Analysis**

Resources



Project Charter

A Project Charter May Contain

The key **stakeholders** affected by the project, and their expectations and concerns



We need to get their support in order for the project to be successful



Project Charter

A Project Charter May Contain

The implementation **Methodology**

Six
Sigma

Lean

Traditional
Project
Management





Project Charter

A Project Charter May Contain

Project Cost and
Benefit
Analysis

Cost of Poor Quality
(Help determine the potential
savings)





Project Charter

A Project Charter May Contain

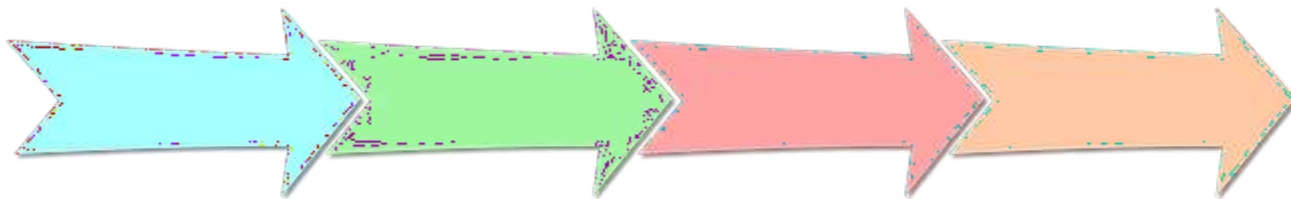
The **milestones** of the project . . .

Highlight
important dates

Help you stay
on schedule

Provide
regular
opportunities
to **review**
progress

Could be
simply the
completion
of each
project phase

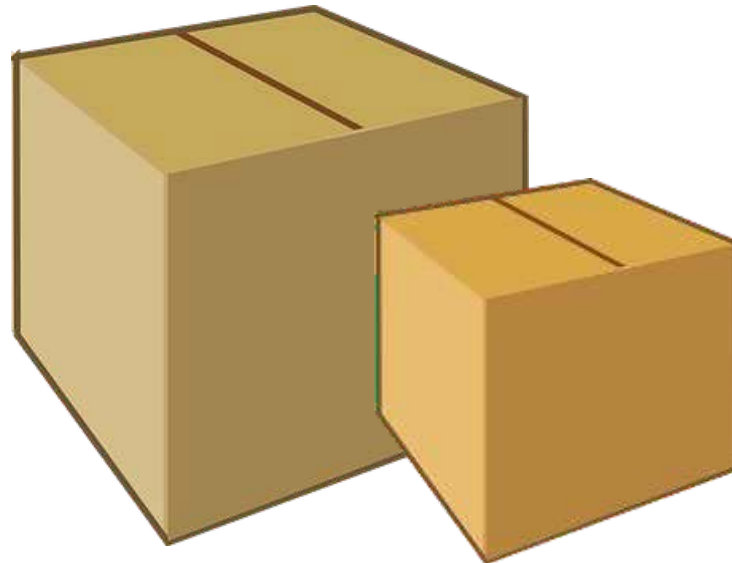




Project Charter

A Project Charter May Contain

Project **deliverables** at every stage



If a deliverable is significant, it may be a milestone



Project Charter

A Project Charter May Contain

A Communication Plan

Should contain
the main
messages of
the project to be
communicated to
the main
stakeholders

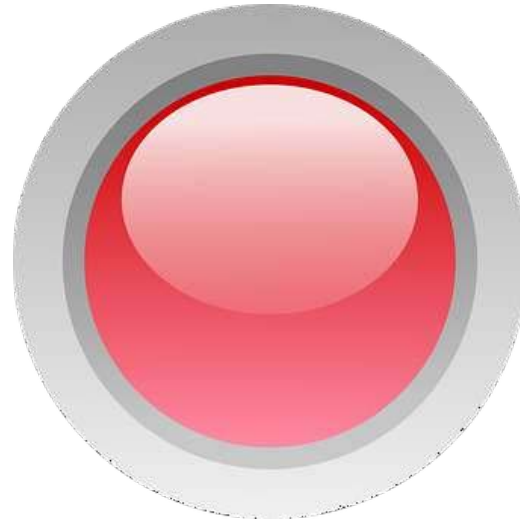




Project Charter

A Project Charter May Contain

A **go/no go decision** to decide whether to move forward with the project as defined or to stop





Project Charter

A Project Charter May Contain

Other components . . .

Barriers and obstacles that could hinder the team

Risk assessment
(of the planned activities)

Assumptions, constraints & dependencies

Required
Resources

Source of
funding



Project Charter

A Project Charter Template

PROJECT CHARTER

Project Title:

Problem Statement:

Goal Statement:

VOC:

Project Team:

Leader:
Team member1:
Team member2:
Team member3:

Project Information:

Project start: Project end:
Project approach:
Project scope:

Key Metrics:

:

Resources:

:

Milestones:

Signatures: _____

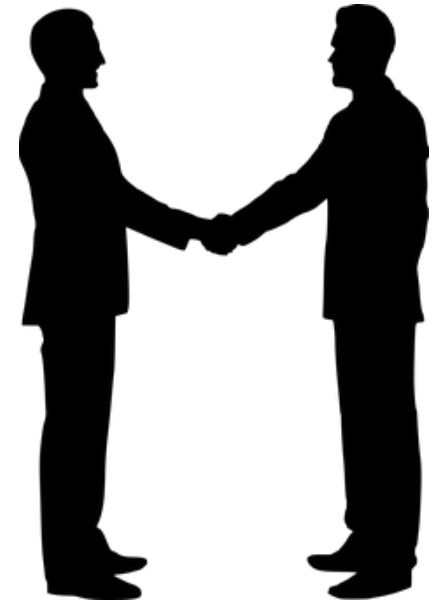


Project Charter

How to Prepare an Effective Project Charter?

Should be **customer** focused & addresses their specific needs and expectations

Should be developed as a **collaborative** effort



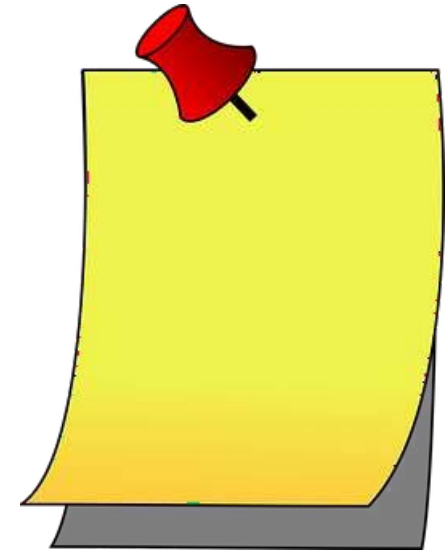


Project Charter

How to Prepare an Effective Project Charter?

Should be **clear** and **concise**
(preferably one page)

Should contain **realistic** and **achievable**
objectives (use the SMART checklist)





Project Charter

How to Prepare an Effective Project Charter?

Should be dealt with as a **live document** during the project lifetime

Should be **updated** as the project progresses





Project Charter

Further Information

Project charters can be made by the project team, the sponsor, or by an expert external to the project team

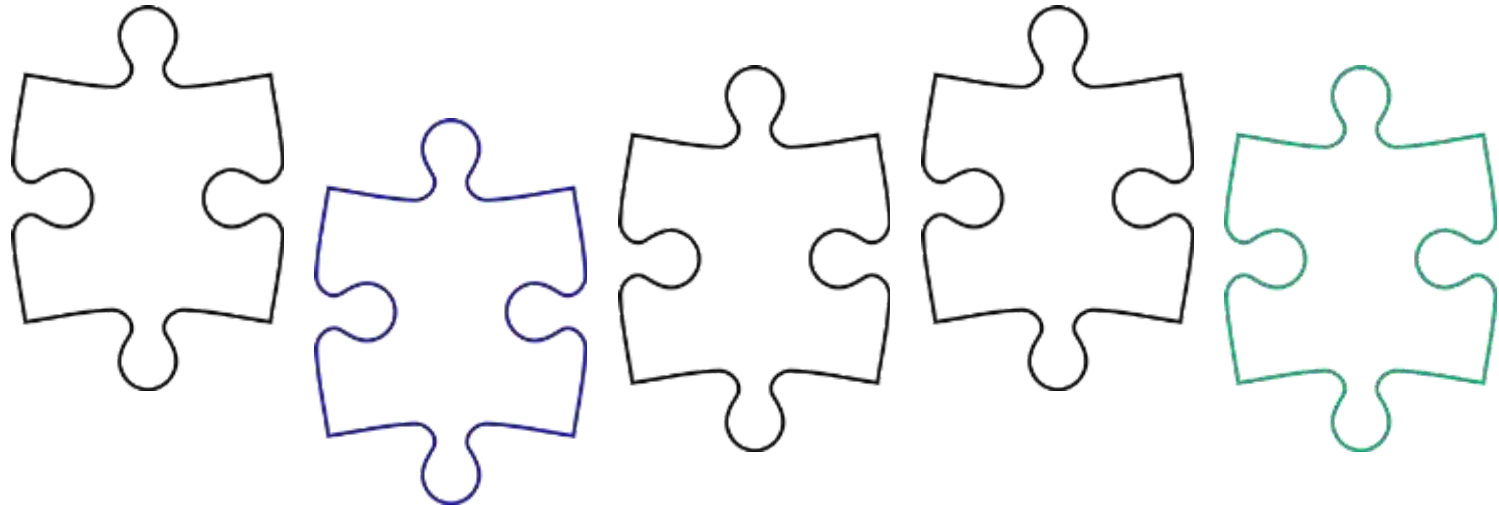




Project Charter

Further Information

It may be created for each phase for **multiple-phased** large projects





Project Charter

Further Information

Sometimes, the project should be **stopped** at the beginning:

The potential benefits are **not sufficient**

The **availability of resources** might be an issue

What else?





Project Charter

Further Information

Are we following the right goal?
Use the **SMART checklist**

S - Specific
M - Measurable
A - Achievable
R - Realistic
T - Time bound

P - Positively stated
U - Understood
R - Relevant
E - Ethical

C - Challenging
L - Legal
E - Environmental
A - Agreed
R - Recorded

Always check whether your goals correlates with the 14 requirements



Project Charter

Further Information

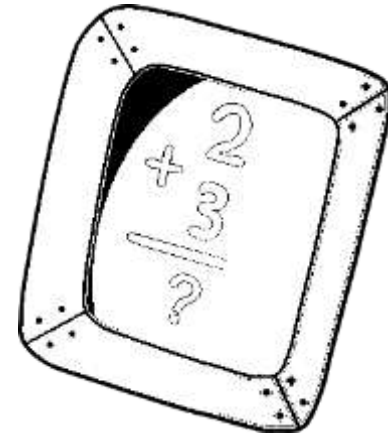
A **good** problem statement **concisely communicates** the problem in terms of who, what, when, where, and how many

Who is affected by the problem?

What does the problem appear to be?

When does the problem occur?

Where does the problem occur?



How many times has the problem occurred over the defined period?



Project Charter

Further Information

A **good** goal statement describes . . .

What do we want to do?

By **when**?

What is the level of performance we want to reach?



Project Charter

Further Information

The project charter has to be filled in and agreed by the **Champion** before the kick-off

The completed project charter is a **requirement** for a project kick-off

Adjustments to the project charter are possible with the approval of the Champion

A completed project is a requirement for Black Belt certification

