

## Best Practices for Creating the BPI Project Charter

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### ***Develop a document that will help you manage your BPI project!***

While we all know that, in theory, the project charter is handed to the project manager from the project sponsor, in reality this never happens! The project manager develops the project charter based on information from the sponsor and other key stakeholders. Too often project managers skip developing a project charter and focus purely on the project scope statement. I prefer to use both documents. The charter enables me to get my head around the project and the expectations - at a high level - of the sponsor and other key stakeholders. I use the charter to develop a list of questions that provide me further information about the BPI project, why it is being undertaken, its link to the organizational strategic goals and the overall objectives for the project.

Once finalized and approved by the sponsor, the charter is then used to develop my project scope statement. This charter, as well as the scope statement, enables me to better manage my stakeholders as the project work takes place. I frequently refer back to that charter to ensure we stay on track with the project, pushing back as necessary when the project is taking the wrong direction or is at risk of doing so. It enables me to have better conversations regarding changes to the BPI project. Components of BPI project charters are described in the table below:

Component of Charter	Description
Project manager authority level	What are the responsibilities of the project manager for this BPI project? Will she have authority to source and manage project team members? Is she responsible for securing and selecting external vendors? Can she manage to the budget or must approval be obtained before money can be spent against the budgeted amount?
Business case	Why is the BPI project being launched? Is it to reduce expenses, increase time-to-market for new products, or merge redundant processes within two divisions? There are any number of valid business reasons as to why a BPI project is being planned.
Project description	This section provides a brief 2 – 3 sentence description of the project. For example, enhance internal communication processes cross-functionally to enable improved transmitting of information about current projects underway within the organization. Included here, if available at the time of project charter development, will be specific high level tasks associated with the project.
Project objectives	Denote here the objectives of the project at a higher level,

and success criteria	<p>along with what is considered successful. For example, project will be completed within one year of launch or budget will not exceed a specified amount.</p> <p>Considering the example project description provided above, also included in this section might be a success criterion such as, departments will share information more readily and early on when projects are initially launched using a variety of approved channels.</p>
Expected risks	<p>When projects are launched, there are usually risks that can be expected. Risks might include difficulty in engaging stakeholders, reduced resources to commit to work on the project, or limited time for completion. Some organizations have common and consistent risks associated with every BPI project. For example, engaging the workforce to change might be a consistent risk within an organization if the workforce tends to resist change.</p>
Department involvement and participation level	<p>Early on in many BPI projects you will know who needs to be involved in the project. For example, if the BPI project is to evaluate Accounts Receivable processes, surely the Accounting Department will be involved in the initiative. Their participation level may include providing information on the current process, participating in design of a new process and testing the new process.</p>
Project benefits and business impact expected	<p>List each desired project benefit in this section, along with the business impact expected. Be specific, ensuring goals are measurable. For example, improve collection of A/R, reducing time from 45 days to collect to 30 days within 6 months of new process launch.</p>
Project milestones	<p>Milestones are major events within the project. For BPI projects, milestones may include documentation of a current process, straw model design of a new process, or completion of stakeholder interviews.</p>
Project expenditures	<p>When possible for the project, provide an estimate (or approved budget allocation) for key components of the project. For example, \$5,000 may be set aside to interview stakeholders or \$50,000 to hire an external contractor to document the "to be" process.</p>

Here are the best practice steps I take to create a BPI project charter:

1. Compile all of the information I already have for the project based on emails I have received from the sponsor and others, memos I have received and conversations I have had. I add that information to the project charter - filling in whatever blanks I can based on my knowledge of the business and what the business is trying to accomplish.
2. Review the charter with the project sponsor and any other key stakeholders to validate the information I have and fill in the blanks. I have found that by

- going into this meeting with a charter that includes not just the information they have provided but also information that I assume to be valid based on my knowledge of the business, I'm able to have better, more productive and efficient conversations about the purpose of the BPI project. The more I know about the project the better I can manage it and share that information with the project team to get them engaged, committed and excited about the initiative.
3. *Revise* the project charter with the additional information based on my conversation with the project sponsor and other key stakeholders. Incorporate any new information and identify any new questions or concerns for another conversation with the sponsor.
  4. *Review* the charter one more time with the sponsor and any other key stakeholders. Get any additional questions or concerns addressed.
  5. *Finalize* the charter and get sign off from the sponsor.

While this may seem initially like a large effort, it really is not. Spending this time up front to get the charter accurate enables me to develop strong relationships with the project sponsor and any other key stakeholders. It also ensures that I understand what we are doing with this project and why - which enables me to have better conversations with team members and other stakeholders. You can't effectively manage a BPI project - and get others committed to it - if you don't know the business reason behind the BPI project. You notice that in each conversation with the sponsor I have advanced progress on the charter. Additionally, I have taken some steps in filling in the blanks myself based on knowledge I already have. It may not be completely accurate, but enables far more productive conversations.

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