

A Chartering Journey

*Being by wisdom and obedience driven
To keep a promise he had freely given*
-- Geoffrey Chaucer

If you are like me, you've been involved in a project that got off track. You may have even sponsored a project that delivered a different result than you intended. If so, please join me on my journey to learn how to mitigate, if not avoid, project teams and sponsors working toward divergent ends.

Scenario 1: The sponsor wants stout and gets light beer.

Long ago, I reviewed a project building a system to manage stocking delivery trucks with cases of beer. The new system was nearly unusable in the warehouses. Reasons included slow performance and too much data entry by the warehouse workers. It turns out that the sponsor's goal for the project was to make stocking the trucks each day more efficient. The system had become even less efficient than the existing process of filling empty space on the truck with whatever was lying around. Unfortunately, the development team's goal was to more precisely track inventory in the warehouse.

Scenario 2: We may take payments incorrectly, but we can take lots of them!

A few years later, I led a team that delivered an electronic tax payment system. We projected that transaction volumes would grow slowly over time -- with no payments even arriving on the first day. The peak volumes were months, if not years, away. More critically, the system had to be perfectly in balance every day by a specific time. As the initial delivery date loomed, however, a part of the team spent significant time, money, and effort, concerned that the system would not be able to perform under full load. This distraction delayed delivery to the test team, resulting in inadequate testing, followed by several preventable issues upon delivery.

What went wrong? In each scenario, the project team lost sight of the project sponsor's desires. A project team does not wake up one day and decide to deliver something other than what the sponsor and organization wants. They get to that point based on a series of smaller, isolated decisions that slowly steer the project in the wrong direction. What can we do to improve the chances that each small decision is correct?

Context comes from the Latin for "weaving together". Context is the setting or circumstance that brings together a set of events giving them meaning. A project sponsor cannot (and should not) be involved in every decision made on a project. The sponsor needs a mechanism to give the project team a clear sense of the context. The sponsor's best tool to establish the circumstances and setting for all the actions on a project is a project definition document, or "charter" (see below for an outline). Properly defined and communicated a charter "weaves together" all the specific decisions and actions.

The dictionary defines charter as being about authorization to proceed within certain limits and conditions. Charter comes from the Latin word *chartula* meaning document or "little paper" -- it is meant to be a tangible artifact. A charter creates the foundation for every project decision. It combines a description of what the sponsor is trying to accomplish (vision and mission), the values (principles) of the organization, the target (objectives and boundaries) for the project, resources the organization is willing to commit, and the authorization to go forward with the project.

An effective charter is the result of negotiations between the person establishing the charter (the project sponsor) and the team carrying out the charter. It is a negotiated agreement, or commitment, between these two parties establishing the overall context of what the project is to accomplish. The charter, however, leaves open how the work should be performed. The choice of specific methods remains the project team's responsibility.

How does a charter help create context for decisions?

First and foremost, a charter is tangible -- explicit and visible -- to facilitate a shared understanding of the context established by the sponsor. If the charter is invisible, or tacit, each person on the project will mentally create their own personal version. These multiple versions will seldom, if ever, match. The probability that everyone is moving in the same direction is minimal. The chartering process is a negotiation between all the parties leading to alignment, with the charter as the tangible output. Quoting my friend III, "If there is major difficulty in forming and agreeing on a Charter, imagine the grief that would emerge from plowing ahead anyway."

A project team is often so focused on day-to-day activities, they lack the time to look around and understand what effect the system will have on its environment -- and the effect the environment will have on the system. Understanding the longer term objectives and defining the boundaries constrains the alternatives available for each project decision. A full understanding of the resources allocated to solving the business problem further refines these constraints. The constraints, however, are a liberating reduction of choice, rather than the strait-jacket of micromanagement. Together, these components of the charter answer a need to understand the broader context of the project.

Finally, making the authorizing players explicit identifies where the team may look for guidance when faced with a decision. Additionally, it is clear to whom the team should escalate a decision when it is outside their chartered authority or responsibility. Sadly, I was involved in a large project for which the sponsor was either unable or unwilling to fully accept this role. This executive "in charge" very effectively disempowered the team by refusing to make decisions, or support those made by the team, leading to an expensive failure.

As a project unfolds without an explicit charter, several assumed charters will emerge. It is better to think about the issues at the beginning of the project, negotiating an explicit and commonly understood context. Does this mean that a charter is done once and becomes immutable? No -- it goes through iterations as the team and the sponsor learn more about the project. As the world changes, it may create change in the context of the project. When this occurs, the charter evolves to reflect reality -- publically, but prudently. Within the evolving context, the project team can make good decisions -- more often leading to a successful result.

Returning to the scenarios above, how would things have been different with a charter?

In the first scenario, fully stocked with a clear vision and the principle that properly loaded trucks were more important than detailed accounting, the team could have understood that getting beer on delivery trucks would have to be more efficient for them to be successful. They would have directed their efforts towards solutions that improved the stocking efforts. Additionally, making the system boundaries clear would have demonstrated that inventory tracking was less important to the sponsor --or even outside the sponsor's intent for the project.

In the case of the electronic tax payment system, the sponsor could have made the team's efforts less taxing by making the objectives and resource limits clear. This would have highlighted the desire to get the system running correctly, while leaving better performance as a longer term objective. Obviously, the system had to perform adequately, but there was time to make adjustments as the number of payments grew.

So what have I learned on this chartering journey?

I have to admit that I occasionally forget about the importance of a charter. However, in my latest endeavor, my partners and I have saved a considerable amount of wasted work by looking to our very succinct charter when making important decisions. We've found that we spend less time and throw away less effort by remembering our charter and taking the most direct path to our objectives. I also find that reviewing projects has become easier. When a charter is lacking, I can quickly predict that I'll see inconsistent direction (and generally do). When there is a charter, I can immediately understand the context of the project and look for divergence.

For the relatively small investment in time, a charter is the best tool I've found to keep the context of a project in the front of the team's mind. What better way to enhance the probability that daily decisions will add up to successful result?

Charter Outline

The outline demonstrates the essential components of a charter by providing brief samples for each section. It is intended to give a starting place for a charter, rather than a comprehensive example. While the sections listed below are the minimum and essential components, some project teams may find other sections useful in their environments. For example, my friend, Payson Hall, always includes a section dedicated to project-level assumptions.

Vision, Mission, and Principles

This section describes what the sponsor is trying to accomplish both overall and specifically with this project. A vision is a shared mental picture of how we would like to see ourselves and how we would like to be seen by others. The vision statement succinctly paints a picture of this overall organizational purpose. The mission, on the other hand, narrows the pursuit of the vision to a single project's role in that pursuit. The mission statement identifies the driving business need or describes why the project exists. It is not necessarily a specific or measurable statement, but rather a one-line statement that sets a direction for the work to follow.

Principles are fundamental rules highlighting accepted and valued behavior. Principles give insight into the values of the sponsor and the organization. Holding particular principles will necessarily have an effect on the project and its product.

An example from one of my recent projects is:

Vision: Be "PayPal" for healthcare providers. [Note: I've also seen wonderful vision "statements" depicted with graphical techniques like mind mapping. These pictures can be powerful when done well.]

Mission: Cost effectively collect and reconcile all revenue for healthcare providers, freeing them to concentrate on providing quality healthcare.

Principle: During our projects, we learn as much about how to work together as we do about our product.

Objectives

Objectives provide the ability to judge the success of the project described by the charter. Objectives are statements of business effect described in measurable (quantitative) terms, as of an instant in future time. Writing objectives can be the hardest part of developing a charter. It is tempting to either to write "waffle" objectives that have no measurement or to confuse objectives with deliverables. Review each objective to be sure it describes the business effect (a change to the business environment that is externally observable), not the product.

I like to use a goals and objectives structure, where goals are statements of desired business effect described in qualitative terms. At times, the intent of an objective can be lost in making it specific and measurable. The goal describes the intent for the measurable objective.

Example:

Goal: Establish the company and product.

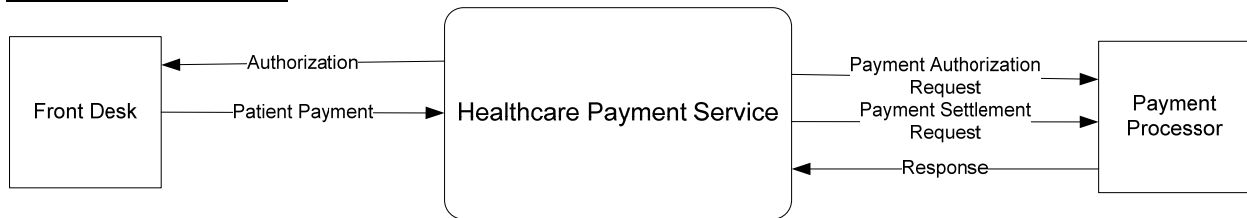
Objective 1: By March 1, the company has 5 clients participating in a beta test of the product.

Objective 2: By July 1, the company has 25 clients using the product to accept payments.

Boundary Statement

The Boundary Statement defines, at a high level, the target for the product. It draws a line around what should be included and what should not, describing what the system will do. There are a number of ways to define the boundaries of the system. I like using a context diagram and an event list. The context diagram depicts the relationships between the system and the outside world. The event list describes the events, or occurrences, outside the boundaries of the system to which the system must have a response.

Simple context diagram:



Event list excerpt:

Event Name	Actor	Description
Patient chooses to pay in full.	Provider Staff at Point of Service	Authorize and settle the payment against the patient's chosen payment instrument (credit card, debit card, electronic check, or paper check).
Patient chooses to pay with recurring payments.	Provider Staff at Point of Service	Monthly payment amount = total amount due divided by the number of months to pay it off. Schedule monthly payments for the number of months beginning on the specified due date. Remainder will be dropped for write-off.

Committed Resources

This section describes the resources the organization is willing to commit to the project, as well as those resources the team needs to be successful. Resources are sometimes confused with boundaries, but they serve a different purpose. This section answers the questions: "What is this project worth to the

sponsor? What resources will be allocated to the success of this project?” The resources must be adequate (as negotiated) to meet the needs of the project, but no more.

Below are categories that I usually consider in developing this section of the charter, together with examples of what might be included in each category.

Commitment

- Sponsor will remain committed to the project for the duration – or renegotiate the charter with the team.

Access

- The team will have access to process experts within 24 hours of a request.
- The team will have access to decisions by the sponsor within 48 hours.

Money

- The organization will invest \$x for the first iteration.
- The organization will invest \$y for subsequent iterations, to be evaluated during release planning.

Time

- The project will begin on February 1, with the first release to beta test on June 30. There will be a minimum of 3 iterations during this time period.
- A three-person development team will be 100% dedicated to this project. The team will consist of: Ben, Thomas, and John.

People

- Product owner will be available to this team at 60%.

Design Criterion:

These are constraints or obligations in place before the project which limit the set of potential solutions. These usually include environmental characteristics of the organization that are (nearly) unchangeable.

- The system will be hosted on Linux.

Regulation:

These are constraints or obligations, imposed by an outside entity, which may limit or have an effect on the set of potential solutions.

- The system must be HIPAA-compliant.

Authorization

This section identifies the authorizing players, those with the authority and responsibility to expend organizational resources. Identifying the true authorizing players can sometimes be one of the more challenging aspects of the charter. Sign-off indicates agreement on the charter. While one party is signing off that they are willing to risk these resources to achieve the objectives, the other is signing that they believe they can accomplish the objectives with the allocated resources.

This section normally is a simple sign-off form with name, signature, title, organization, and date. It is also appropriate to define the guidelines for what decisions can be made by the team, what decisions need to be escalated, what events require a renegotiation, and the process for making changes to the charter.