



Date : 2013-06-04

PROJECT MANAGEMENT DOCUMENT

Name of PROJECT

Project Proposal/Charter/Initiation

ABSTRACT:

A project proposal (also named : project charter, project chart) is document issued by project initiator or sponsor that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources (physical, organizational capital or human capital resources) to the project activities. The proposal is the output of a selection process and formally recognizes the existence of a new project or a new phase of a project (for example when not all required resources are available at the start). A contract can be considered as a project charter for the company that is selling.

DOCUMENT PREPARED BY: X -	DOCUMENT CHECKED BY: X -	DOCUMENT APPROVED BY: X -
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DISTRIBUTION :



HISTORY OF CHANGES

REV. NO.	DATE	PAGES	DESCRIPTIONS OF THE CHANGES
0.1	2013-06-07	11	First Version for comments released to stake holders.



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1. Executive summary

Provide an executive summary, no longer than half a page.

Typical content is as follows :

- Background and justification (or “business case”)
- Project purpose
- Stakeholder needs
- Major expected deliverables (limits, capabilities)
- Summary milestone schedule
- Budget
- External and Internal constraints (limits to the options available)
- Current basic assumptions (how did you estimate ?)
- Organizational issues
- Governance (responsibility, authority, approval)

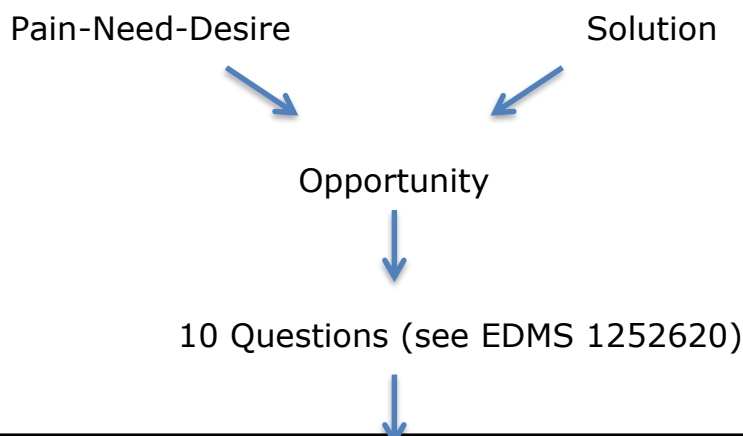
2. Background

2.1 Problem Statement and Rationale

Describe here the **opportunity** that is created.

An opportunity is created when there is a **pain**, a **need** and a **desire** that can be satisfied by a valid **solution**. The solution is of course the product, service or idea that your project is going to deliver. To find out if the solution is indeed the right one (a question that may be asked by a sponsor), it is important to ask yourself the ‘10 questions’ and to make sure that the answers to these questions are somehow found back in the text of this paragraph. The 10 questions can be found in EDMS 1252620 (“10 Questions to be asked before deciding on an opportunity”).

A graphical presentation of the underlying idea of the “rationale” is given below.





OK ? Now Initiate the project & allocate resources

2.2 Present Status

Describe the present status of the work or the situation we are in at the moment.

Please include information and references to preliminary studies that may have been done (assessments, prototyping works ...).

Please include the External and Internal constraints (i.e. the limits to the options available)

3. Purpose, Goal, Objectives and Impact of the Project

A **Purpose** is a desired end result, it is the reason why the project (or the process, role or whatever the purpose is being written for) exists.

Then there are a few differences between goals and **goals** and **objectives** :

Goals are broad; **objectives** are narrow.

Goals are general intentions; **objectives** are precise.

Goals are intangible; **objectives** are tangible.

Goals are abstract; **objectives** are concrete.

Goals can't be validated 'as is'; **objectives** can be validated.

Purpose is usually a single items; **goal(s)** can be single or perhaps two; **objectives** are usually multiples – basically representing actions that will lead to achievement of the specified **goal(s)**.

Describe also the impact the project may have on its environment.

Example:

Purpose : Improve my health.

i.e. the reason behind something that is being done.

Goals: Reduce my body weight by 20 kg by the end of November.

i.e. a desired result that we wish to achieve

Objectives: Run every second day for at least 30 min

Run every second weekend 15 km

Take a complete rest one Weekend out of two.

i.e. detailed information on how we intend to reach the goals. Remember that S.M.A.R.T objectives are : **S**pecific, **M**easureable, **A**ttainable, **R**ealistic, **T**imebound.



Impact : There will be 30 min less for any of the other activities in a day.

4. Proposed Project Approach

4.1 Project Stakeholders

A stakeholder is any individual, group or organization **who may affect, be affected by or perceive itself to be affected** by a decision, activity or outcome of a project.

Identify here the people, the groups or the organizations that could impact or be impacted by the project and the rationale for this identification.

4.2 Project Scope

The word scope is defined here as the sum of the services, products and results to be provided by the project.

The project scope is work performed to deliver a product, service or result with the specified features and functions.

It is not needed to progressively elaborate the scope description at this point – it will be done later on in the project.

4.3 Project Phases & deliverables

Provide here a breakdown of the project down in phases and their contents (ex. Initialization phase, pre-analysis phase, design and implementation phase, deployment phase, finalization phase). For each project phase, the project deliverables should be listed.

4.4 Time Line

Provide here a summary milestone (i.e. a significant point or event in a project) schedule here, i.e. a schedule of all the milestones both mandatory and optional ones.

4.5 Project Team members

Provide here the name, the affiliation, the effort (i.e. the level multiplied by duration of the engagement), the role and the skills of the persons that will contribute to the project.

Example : 550 days at 10% = 55 days = 0.25 FTE over a duration of 2 years.

4.6 Project Resources

Provide here a summary of the required project resources separating between :

Physical Resources (i.e. Plant, equipment, technology,)

Organizational capital resources (i.e Structure, planning, controlling systems, ...)



Human capital resources (Knowledge, skills, abilities of the workers ..)

For example, if a storage space is needed at some stage in the project, this should be mentioned as a physical resource.

4.7 Project Governance

List here the members of the steering board (if any), the name of the project leader and the name of the leader of the functional unit in which the project leader resides.

5. Cost estimate

Estimate here the budget for each phase of the project and for the entire project, **including the method that was used** for the budget estimate. As a reminder, there are several types of budget systems, including :

Activity based budgets, incremental budgets, zero based budgets continuous budgets and flexible budgets.

6. Risks

- A risk is uncertain event that, if it occurs, has a positive or a negative impact on at least one project objective.
- A risk may have one or more causes and, if it occurs, one or more consequences.
- Risks are higher at the start of project but the impact is most likely to materialize toward the end of project.
- For projects, risk will determine a range (% probability) for the total cost and the total duration of the project
- Risk management for projects consists of avoiding, transferring, mitigating or accepting threats (negative risks) and exploring, sharing, enhancing and accepting opportunities (positive risks).
- Each risk has at one probability of occurrence and at least one impact.
- Standard recurrent cycle : Identify risks, analyze risks, develop and plan risk responses, control risks.
- Always convert high risks in opportunities

DO NOT CONFUSE :

"My equipment may arrive late" is not a risk. The risk is what it makes arrive late, so :
"The goods that I order from a manufacturer may take longer to transport"

Example:

"I may be involved in a road accident when I drive to work every day"

- Avoidance (eliminates, withdraw from or not become involved)



Work from home

- Reduction (optimize – mitigate)

Move closer to work

- Sharing (transfer – outsource or insure)

Take the commuter train

- Retention (accepts and budget)

Take a life insurance

For projects, risks will eventually establish a range (% probability) for the total cost and the total duration of the project which is why they need to be mentioned in the project charter.

A risk is defined here as an uncertain event that, if it occurs, has a **positive** or a **negative** impact on at least one project objective. A risk may have one or more causes and, if it occurs, one or more consequences.

It is not needed to make a risk analysis and a risk management plan for the project charter, this will be done at a later stage when making the project plan.



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1235470	0.1	DRAFT

ANNEXE I