**PROJECT CHARTER**

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| Project name: | Wave |
| Company: | ABC Corporation |
| Division: | Computer Systems |
| Department: | Information technology |

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| **1.0 PROJECT OVERVIEW** |

**1.1 EXECUTIVE SUMMARY**

The proposed project would be implementation of Enterprise Resource Planning (ERP) to replace traditional information system. The organization has been using a traditional software system which has been there for past 10 years. Earlier when the scale of organization was small, the system worked well. However as the organization’s scale increased, complexities increased and more people and processes were added. These new processes cannot be mapped to the existing software and require an upgrade to a new version of the software. It has resulted in loss of information and confusion leading to delays in production, mistakes in accounting, increase in customer complaints and ambiguity among employees.

**1. 2 ALTERNATIVES**

Based on the requirement of company for replacement of old software system with new Enterprise Resource Planning System, two software vendors was shortlisted- Oracle and SAP. Both oracle and SAP are ERP software market’s biggest players.

SAP AG: SAP is the leader in ERP domain with benefits of product development and functionalities across many industries.

Oracle: Oracle comes close to SAP in term of functionality but provides additional benefits of flexibility, ease of operation and lower cost.

Based on the pros and cons between SAP and Oracle, the company has selected Oracle as the vendor choice for its Enterprise Resources Planning System.

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| **2.0 PROJECT GOALS AND OBJECTIVES** |

**2.1 PROJECT GOAL**

The goal of Project Wave is to implement integrated Oracle Applications Suite to support strategic goals of the organization.

**2.2 PROJECT OBJECTIVES**

With the overall goal as stated above, project objectives have been identified as follows:

* Incorporate best business practices utilizing Oracle functionality providing integrated data and workflow processes
* Integrate different business areas into common Oracle platform with main focus on Finance & Accounts, Customer Relationship Management (CRM) and Manufacturing Resource Planning (MRP)
* Include functional capabilities of financial management, supply chain management, and business strategic planning.
* Initiating and sustaining business change

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| **3.0 PROJECT MISSION** |

**PROJECT MISSION**

* To provide integration of business processes across the organization
* To provide timely and accurate information for reliable decision making
* To fully integrate data across functional areas
* To provide common database for all company’s information related requirements

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| **4.0 PROJECT SCOPE** |

**4.1 PROJECT SCOPE**

Project scope includes:

* Financial management
* Customer Relationship Management
* Strategic Management
* Human Resources
* Purchasing
* Change Management- Assures that people across the organization understand the impact of implementation

**4.2 APPROACH**

The project would be managed through Project Management Office (PMO) through which resources and project activities would be integrated. The overall project approach would be as follows:

* Project direction would be provided by Project Steering Committee
* It would be responsibility of PMO to monitor progress of project at different milestones, to review project deliverables, resolve project related issues
* PMO would assign relevant tasks to project groups with set timelines and deliverables

**4.3 DELIVERABLES**

The main deliverables of Project Wave include:

* System Implementation: Successfully implement identified modules as per functionality prescribed.
* Business Process Improvement: Develop business processes for system optimization
* Knowledge Transfer: Equip users of new system to provide necessary support, conduct testing and to provide ongoing support to users new to the application.

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| **5.0 PROJECT MANAGEMENT** |

Activities which are important for ensuring successful completion of project are project control, project planning, status reporting, issue management, risk management and quality management.

**5.1 PROJECT CONTROL**

The role of project management office would be to control project such that it meets technical, scheduling and cost requirements.

**5.2 PROJECT PLANNING**

A detailed project plan would be prepared by the PMO which would provide as reference for various tasks and activities of the project. Project plan also gives timelines for key milestones and deliverables.

**5.3 STATUS REPORTING**

Project status would be reviewed weekly and status reports would be prepared for monthly steering committee meetings. There would be progress reviews where different aspects of project would be covered like technical, timeline and resources.

**5.4 ISSUE MANAGEMENT**

The purpose of issue management plan is to record and resolve all issues which are raised during project Wave. Managing issues is critical for ensuring success of Project Wave. Issues would be tracked using the Issue Tracker tool.

Important Elements on Issue handling

1. **Priority (High, Medium, Low)**

High: High priority represents an issue that is a major obstacle to project work and deadlines.

Medium: Medium priority represents an issue that may impact the future or that causes impact on deliverables but is less critical.

Low: Issues falling under low priority have no major impact on deadline and deliverables

1. **Criticality (High, Medium, Low)-** Indicates time sensitivity associated with resolution of issue

High: Issue which are critical need to be resolved within 24 hours or even lesser.

Medium: Issues which are of medium criticality need to be resolved between 2-3 days

Low: Issue with low criticality need to be resolved within a week

1. **Level** – defines what is the highest level of management that will be required for resolution

The level can be team, project or steering committee

The issue management process consists of following steps:

* Issue Raised: Issue raised in the Issue Tracker
* Issue Validation: Issue is validated for appropriate level and resolution schedule is planned
* Issue Escalation: Appropriate executives are involved for resolution of issue
* Issue Resolution: The resolution of issue if recorded
* Reporting: Status of recorded issues is reported
* Review and Sign-Off: Resolved issues are closed and outstanding issues are reviewed

**5.5 CHANGE MANAGEMENT**

For changes in scope, deliverables and schedule, change management process would be used. Change management process has a series of steps which must be performed so that change can be identified, evaluated, and tracked.

* Change requests should be submitted in change request form to Project Management Office (PMO) for review and assessment.
* When PMO has accepted the change, it should be forwarded to project steering committee for approval
* The resulting changes in tasks and activities must be incorporated in the project plan by project manager
* Project manager should update change request log for new changes as well as status of existing change requests
* Change related impact should be communicated to project team

**5.6 RISK MANAGEMENT**

It is important to manage events that are likely to occur and pose threat to project. Risk management is critical to Project Wave and involves risk identification, risk planning and risk monitoring.

**5.6.1 Risk Identification**

Risk identification involves becoming aware of potential events which can be threat to the project. Different events are analyzed for probability of occurrence, and impact on the project based on which they are prioritized. Risk identification is the first step of risk management.

The project team would analyze project environment to make a list of potential factors which can be risk events.

Though identification starts when project is initiated, any team member can identify potential risk by using risk control form.

When analyzing risk event following information must be provided by the person who has identified the risk

* Background information of risk
* Source of risk
* Impact of risk
* Probability of occurrence
* Other dependencies of risk

Project risks have been classified into five categories:

* Business risk
* Project risk
* Resource risk
* Technology risk
* Leadership and organizational risk

**5.6.2 Risk Planning**

When risk factors have been identified, there must be a plan for addressing each of them. Risk planning is important as it ensures that timelines and cost estimates are adjusted for risk mitigation activities.

The project management office or PMO would review identified risks and develop plans to mitigate those risks.

Project team members would be designated for risk mitigation measures

Project manager would adjust project plan to reflect changes in schedule to account for time which would be required for risk mitigation.

**5.6.3 Risk Monitoring and Control**

Risk monitoring and control involves tracking of progress of risk resolution using mitigation strategies. It is important to track risk as it ensures that corrective actions have been taken to address the risk and actions have been successful in eradicating risk. Risk status reporting would be done to maintain continuity in risk management plan. It would serve to determine progress of execution plan, determine whether risk is resolved or not, evaluate whether strategies have been effective or rework would be required and identify new risks.

* The project manager would provide regular updates in status of all identified risks
* The Project management office (PMO) would discuss status of risk events in monthly status meetings

**5.7 COMMUNICATION MANAGEMENT**

Project communication plan includes processes required to ensure accurate and timely dissemination of information for project decision making. There are different processes in the project each of which may require different individuals or group of individuals to interact. The communication need may also overlap due to which there should be well defined procedures for communication across the project.

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| **Communication Types** | **Purpose** | **Process Description** |
| Project Charter | Define the project goal, objectives, scope and overall approach of project | Project charter is the base for the project which should be read by all persons related to project. |
| Sponsor  | Project goal, objectives and scope are legitimized to stakeholders  | Communication that reinforces sponsorship to the project |
| Project Status Meetings | Track progress of the project | Project Management Office would meet monthly to review project status and make decisions as per requirement.  |
| Issue Log | Document all issues that arise in the due course of project and can impact scope of the project | The issue log would be maintained by Project Director who would maintain status of each issue |
| Change Requests | Identify changes to scope to the project and submit to Project Steering Committee for approval | Changes that affect scope, timeline, budget |
| Functional Processes | Documentation of important project information  | Single point of reference for all project related information accessible to all project members |

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| **6.0 STATEMENT OF WORK** |

**6.1 PROJECT START UP**

It includes all activities which take project initiation to execution. With project start-up everybody becomes aware of their roles, purpose of project and benefits from project.

**6.1.1 PROJECT INITIATION**

Project initiation establishes scope with team members and assigns them to different tasks. The stakeholders also have complete understanding of the project.

**6.1.2 PROJECT PLANNING**

Project planning entails project activities that will be performed

**6.1.3 PROJECT MANAGEMENT**

Project management activities include project planning, project control, status reporting, issues management, change management, risk management and project communication management.

**6.1.4 PROJECT TRANSITION**

Project transition involves taking project from planning stage to execution. At this stage project kick-off meetings are held with stakeholders to provide a direction to them.

**6.2 SITE PREPARATION**

Site preparation are activities which form the foundation for the project. The activities are providing technical environment, identifying training requirements, documentation, etc.

**6.2.1 TECHNICAL INFRASTRUCTURE**

For setting technical environment, hardware, software and applications have to be set up.

**6.2.1.1 Technical Environment**

Technical infrastructure involves planning for hardware and infrastructure requirements of the project. Any additional hardware that is required is installed.

**6.2.1.2 Application Environment**

It is installing software and setting up different application environments like test environment, training environment, security environment, etc.

**6.2.2 BUSINESS ANALYSIS**

Business analysis requires analyzing existing system and processes to detail out requirements which would resolve business or process issues.

**6.2.3 DATA CONVERSION AND INTERFACE**

The new system would require new interfaces and data conversion methods which have to be identified and tested.

**6.2.4 DOCUMENTATION**

All procedures of implementation would be documented. Policy manuals would be prepared which would serve as future reference for the organization.

**6.3 PROJECT EXECUTION**

Project execution involves following activities:

* Identification and resolution of issues

Issues resolution focuses on identifying and resolving issues in applications of ERP system. Since issues can be identified during any point in time, they are reviewed before proceeding to next implementation phase.

* Setting up application modules

Different modules like finance, human resources, customer management, procurement, etc. are set up as prototypes. After testing on application prototypes, final application design is sent to production environment.

* Development of system interfaces

Data from existing system need to be transferred to ERP system. System interfaces facilitate automation of data conversion.

* Testing

Before putting data in the new system, it has to be tested. Application modules and system interfaces are tested extensively

* Loading data

Once system has been tested for a match between requirement and delivery, data from current system would be loaded into the ERP system.

* User Training

Users of ERP would be trained on ERP to help them load data into system and retrieve information for different uses

* Handover to production

After final user acceptance training, the system is handed over to production where actual version of software is installed.

**6.4 PROJECT WRAP UP**

Once objectives of project have been met, it is closed.

**6.4.1 Sign Off**

Project is signed off to accept that project has been implemented as per pre-defined criteria.

**6.4.2 Post Production Review**

All essential processes of project are documented for future reference. In addition, post production review identifies any issues which may be unresolved.

http://www.tru.ca/\_\_shared/assets/TRUERPProjectCharter113458.pdf