PMP Study Notes: Process 4.1 - Develop Project Charter

PROCESS OVERVIEW

PMI Definition: The process of developing a document that formally authorizes the existence of a project and provides the project manager with the authority to apply organizational resources to project activities.

Class Definition: Makes the "good idea fairy" into a real project. Does three critical things:

1. Makes the project real in the eyes of the organization
2. Onboards the PM (tells you you're in charge)
3. Transitions power from sponsor to PM

KEY TERMS & DEFINITIONS

Project Charter

- **PMI Definition**: A document issued by the project initiator or sponsor that formally authorizes the existence of a project
- **Class Definition**: Vehicle that moves power from sponsor to PM with signature, includes checks and balances

Business Documents

- **PMI Definition**: Documents that describe business needs, assumptions, constraints, and requirements
- **Class Definition**: Two types - Business Case & Benefits Management Plan (used for internally funded projects)

Agreements

- **PMI Definition**: Legal documents that define initial intentions for a project
- **Class Definition**: "Fancy for contract" - could be MOU, letter of intent, but usually contracts (for external projects)

Project Overview Statement

- **PMI Definition**: Not explicitly defined in PMBOK
- **Class Definition**: Best practice - consolidated definition of what the project is (prevents confusion when multiple stakeholders have different ideas)

Assumption Log

- **PMI Definition**: A project document used to record all assumptions and constraints throughout the project lifecycle
- **Class Definition**: Excel-like form with ID numbers, owners assigned to track and clear up assumptions

INPUTS

1. **Business Documents -**Used typically when project is internally funded

- Business Case
- Benefits Management Plan

2. Agreements

- Contracts
- MOUs (Memorandum of Understanding)
- Letters of Intent
- Statement of Work
- *Used when project is externally funded/sold*

3. Enterprise Environmental Factors (EEFs)

- **Class Example**: Company policy requiring Level 2 PM for projects over certain dollar amount (Level 1 can't touch high-value projects)

4. Organizational Process Assets (OPAs)

- Templates for project charter
- Understanding of PM's past performance (affects control measures)

TOOLS & TECHNIQUES

Most Common Tools

1. **Expert Judgment** (appears in almost everything)
2. **Meetings** (appears in almost everything)

Data Gathering

- **Brainstorming**
- **Focus Groups**
- **Interviews**

Interpersonal & Team Skills

- **Conflict Management**
- **Facilitation**

- **Meeting Management**

Real-World Example from Class

Instructor used facilitation with beverage company:

- Had stakeholders write budget authority on 3x5 cards
- CEO: $10,000, COO: $20,000, CFO: $2
- Used this to establish cost overrun reporting criteria
- "If I spend more than [agreed amount], I need permission first"

OUTPUTS

1. Project Charter

Three-Section Format:

Section 1: Define the Project

- What the project IS and IS NOT
- High-level risks
- High-level requirements

Section 2: Empower the PM

- Names the PM ("Bob McBoberson will be the PM")
- Grants authority/power:
  - Control over facilities
  - Budget authority
  - Pre-assigned team members

Section 3: Controls on the PM

- Reporting criteria
- Definition of done
- Success criteria
- Milestone list
- Reporting requirements (schedule slip, quality, risk)

2. Assumption Log

- Excel spreadsheet format
- Each assumption gets:
  - ID number
  - Owner assigned
  - Tracking mechanism
- **Key Distinction**: One per project vs. repository (PMO level)

CRITICAL EXAM POINTS

Who Writes the Charter?

- **Variable** - could be PM, PMO, customer, boss
- **Key Point**: PM shouldn't always write own charter (career incentive to cheat)
- **Cheating Ways**: Give yourself more power, weaken success criteria
- **What Matters**: Must be **signed by sponsor**

Power Transfer Concept

- Charter = vehicle that moves power
- Not just "here, take my power"
- Comes with checks and balances
- Creates accountability through reporting requirements

Common Confusion

Students ask: "Why rewrite scope when it's in the charter?" **Answer**: It's a "brief back" - organization tells you high-level scope, you come back with detailed scope for confirmation

EXAM TIPS

1. **Remember**: Process 4.1 is about **authorization** and **empowerment**
2. **Key Success Factor**: Sponsor signature (makes it official)
3. **Power Balance**: Authority comes with accountability
4. **Project Artifacts Include**: 2 business documents + 19 plans + 33 documents + project charter

CONNECTION TO OTHER PROCESSES

- Links to all planning processes (charter authorizes planning)
- Assumption log feeds into risk identification
- High-level requirements feed into scope definition
- Authority levels affect resource acquisition

MEMORY AIDS

- **Charter = Ring of Power**: Proves ownership and authority
- **Three Functions**: Real + Onboard + Transfer Power
- **Three Sections**: Define + Empower + Control

PMP Study Notes: Process 13.1 - Identify Stakeholders

PROCESS OVERVIEW

PMI Definition: The process of identifying project stakeholders regularly and analyzing and documenting relevant information regarding their interests, involvement, interdependencies, influence, and potential impact on project success.

Class Definition: "Writing it down" - It's not just "oh look, Bob's involved" - you better write it down. This is how we build the stakeholder register, one entry at a time.

STAKEHOLDER MANAGEMENT KNOWLEDGE AREA OVERVIEW

Four Small Processes:

- **13.1**: Identify Stakeholders (recognize entity is involved → write it down)
- **13.2**: Plan Stakeholder Engagement (strategy to involve stakeholder)
- **13.3**: Manage Stakeholder Engagement (execute the strategy)
- **13.4**: Monitor Stakeholder Engagement (make sure it's working)

KEY TERMS & DEFINITIONS

Stakeholder

- **PMI Definition**: An individual, group, or organization that may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project
- **Class Definition**: Anyone involved in the project - "who's who in the zoo"

Stakeholder Register

- **PMI Definition**: A project document that identifies stakeholders and documents their interests and involvement
- **Class Definition**: Excel spreadsheet listing every stakeholder in the project - your "easy button" for managing stakeholders

Stakeholder Analysis

- **PMI Definition**: A technique of systematically gathering and analyzing quantitative and qualitative information

- **Class Definition**: "Who's who in the zoo" - figuring out the different entities and how they'll affect the overall project

Stakeholder Mapping

- **PMI Definition**: A graphical representation of stakeholders plotted against criteria
- **Class Definition**: How we show the results of stakeholder analysis to others

INPUTS

"Shotgun Blast" of Inputs

- Project Charter (has stakeholder names: customer, PM)
- Business Documents (Business Case, Benefits Management Plan)
- Project Plans and Documents (tons of things - you can identify stakeholders while making any of them)

Enterprise Environmental Factors (EEFs)

- **Class Example**: "Because of compliance, I have to let PHMSA know what's going on in my projects. That's an EEF. They're a stakeholder in every one of my projects."

Organizational Process Assets (OPAs)

- Past projects/historical information
- **Class Example**: Looking at old stakeholder register and copy/pasting from it

TOOLS & TECHNIQUES

Expert Judgment (Most Common)

- Talk to other PM who worked on similar projects with same customer

Data Gathering

- **Brainstorming**: Figure out different courses of action to solve problem
- **Questionnaires & Surveys**: Any respondent is technically a stakeholder (not tested)

Data Analysis - Stakeholder Analysis

Three Stakeholder Mapping Techniques:

1. Stakeholder Grid (Most Common)

- **Class Example from Instructor**:
  - Had student list stakeholders A, B, C, D by power (high to low)
  - Then same stakeholders by interest (high to low)

- Plotted on Power vs. Interest grid:
  - **Stakeholder A**: Highest power + Highest interest = "Manage Closely"
  - **Stakeholder B**: 2nd highest power + 2nd lowest interest = "Keep Satisfied"
  - **Stakeholder C**: 3rd highest power + Lowest interest = "Monitor"
  - **Stakeholder D**: Lowest power + 2nd highest interest = "Keep Informed"
- **Communication Strategy**: Tailor based on categories
  - **Manage Closely**: Face-to-face meetings, all reports, read receipts, team building
  - **Keep Informed**: SharePoint access, self-service information

2. Salience Model

- **Three Variables**: Power, Urgency, Legitimacy
- **Eight Categories**: (7 stakeholder types + 1 non-stakeholder)
- More complex than grid

3. Stakeholder Cube

- **Three Variables** with ranges (high, medium, low)
- **48 Categories**: 8 cubes × 6 faces each = 48 different stakeholder types
- Most complex mapping technique

Document Analysis

- Look at past projects to determine stakeholder involvement level

OUTPUTS

Stakeholder Register

Format: Excel spreadsheet (typically)

Basic Fields:

- ID Number
- Name
- Title
- Organization
- Contact Information
- Location (geographic/time zone)

Advanced Fields (Class Example):

- **Risk Column**: "For every single risk event that person's involved in, it has a little ID number next to it. So when somebody falls off the project, I can understand what risk events might be affected."

Key Characteristics:

- **Living Document**: Never really done - always adding/removing

- **Searchable Fields**: Make it work for you and your projects
- **Easy Button**: For managing stakeholders
- **PMO Requirement**: Must be saveable by project management office

CRITICAL EXAM POINTS

"Write It Down" Philosophy

- Best practice is documenting, not just recognizing
- One entry at a time in stakeholder register

Stakeholder Analysis = "Who's Who in the Zoo"

- All three mapping techniques do the same thing
- They help understand stakeholder relationships and influence
- Different interfaces but same purpose

Questionnaire/Survey

- Any respondent is technically a stakeholder **But**: "They don't test you on that"

No "Stakeholder Management Plan"

- **Wrong Term**: "Stakeholder Management Plan"
- **Correct Term**: "Stakeholder Engagement Plan" (created in 13.2)

EXAM TIPS

1. **Remember**: This is about **identification and documentation**
2. **Key Phrase**: "Who's who in the zoo"
3. **Focus**: Writing it down in stakeholder register
4. **Mapping Purpose**: Show stakeholder analysis results to others
5. **Living Document**: Register constantly updated throughout project

CONNECTION TO OTHER PROCESSES

- **Feeds 13.2**: Identified stakeholders need engagement strategies
- **Risk Integration**: Stakeholder changes affect risk events
- **Communication Planning**: Stakeholder mapping drives communication strategy
- **Change Management**: Stakeholder register updated as project evolves

REAL-WORLD CLASS EXAMPLES

Oil & Gas Compliance Example

"Because of compliance, I have to let PHMSA know what's going on in my projects. That's an EEF. They're a stakeholder in every one of my projects."

Stakeholder Grid Exercise

Instructor had student rank 4 stakeholders (A,B,C,D) by power, then by interest, then plot on grid to show different engagement strategies needed.

Risk Integration Example

Instructor keeps risk ID numbers in stakeholder register: "When somebody falls off the project, I can understand what risk events might be affected."

MEMORY AIDS

- **"Who's Who in the Zoo"** = Stakeholder Analysis
- **"Easy Button"** = Stakeholder Register
- **"Write It Down"** = Process Purpose
- **Grid vs. Salience vs. Cube** = 4 vs. 8 vs. 48 categories
- **Living Document** = Never finished, always updating