

The Project Agreement: Ready... Set... Launch!

Now that you are ready to start your event, you can begin to create the project agreement. This is a combined effort, created by everyone involved in the project. The project agreement kicks off the project to a roaring start. It is a crucial part of Cheetah APM because it requires the project team and sponsor to agree on the major details of the project, thereby preventing any time-delaying disagreements that might crop up later on.

As explained in chapter 2, an experienced facilitator leads the project team through the creation of the project agreement document. The more times you go through the project agreement creation process, the faster you become at hashing out the details that are needed to successfully launch your project. The aim of using a standard template for creating the project agreement is to make sure that all the major issues of launching the project are covered.

This chapter gives you a standard project agreement template with an example created for an e-commerce project. This example is revisited at the end of each project agreement topic description and is summarized in the appendix. Cheetah Learning has customized the project agreement template for a variety of project types and company practices. The chapter also covers project team members' responsibilities and communication among team members and discusses possible constraints for a project.

FIVE AREAS OF DISCOVERY

The project agreement covers five major areas of discovery:

- **Project scope:** The goals of the project from the perspective of the customer and the organization
- **Communication:** How team members will keep each other informed of project progress and who needs to review the progression of the project at what milestone points
- **Risk tolerance:** How important the project is to team members and the project sponsor and the level of commitment they display when attempting to overcome the risks they encounter
- **Constraints:** The money, people, equipment, and time allocations necessary to complete the project
- **Team member responsibilities:** A record of each individual's role and the estimated time commitment for the project

Acting as a guide, the project launch facilitator helps the team create its project agreement — normally in a one- to two-hour session. The exercise involves having the team make decisions about the project agreement, which is then re-created as a poster-sized visual aid and taped to the wall. The team makes its own decisions for each section of the project agreement and records them on Post-it Notes. After the event, all the information collected on the wall template is recorded in an electronic document. Often the

project leader will create a draft of the project agreement prior to the launch event.

Each stage in the process of completing a project plan relies on information that was collected previously. When the project team decides to change information that was recorded in an earlier stage of the process, it has to look at how that change will affect all the other decisions that were made up to that point. This prevents *project scope creep*, or incremental changes to the project scope, from occurring later on — a phenomenon that could potentially derail the project.

PROJECT SCOPE

There are six elements of project scope covered in the project agreement:

- **Project identity information:** The title of the project, the person creating the project agreement, the date the project agreement is created, and the project sponsor (the person authorizing the project to its completion).
- **Project objective:** The final deliverable(s) of the project.
- **Project boundaries:** When the project team will start its work and when the project will be complete.
- **Customer definition:** The people who will be concerned with the final deliverable(s), the current problems the final deliverable(s) will help them solve, the specific requirements, and the criteria for their acceptance.
- **Business case:** The strategic reasons for completing the project from the perspective of the overall value to the organization. It looks at the specific knowledge that is gained by having this group of people work on this project, the value of this knowledge, the strategic importance regarding other projects being considered by the organization, and the impact on the organization's markets.
- **Project priorities:** The various constituents involved in the

project — sponsor, stakeholders, customers, project manager, and project team members — identify their priorities with the project.

Let's look at each of the elements of project scope in more detail.

Project Identity

You will find that every project needs to have certain information listed right up front. This is called the project identity. By completing information on project identity, everyone knows exactly what is going on, who is doing what, when the project started, and who is sponsoring the project.

Every project must have a sponsor — someone who is paying for and authorizing the project. While a project team can create a project agreement, without a project sponsor it will not have the funding or the go-ahead required to complete the project.

Here is an example of the project identity information filled in for an e-commerce project. (The entire project agreement for this case history is reproduced in the appendix.)



PROJECT AGREEMENT

Project Title: e-Commerce Project

Today's Date: June 9, 2002

Person Recording Agreement: Alice

Persons Creating Agreement: Alice, Bruce, Chris,
Debra, Ed

Project Sponsor: Pat C. Eeo



Project Objective

The project objective is just what it sounds like: a clear one- or two-sentence statement that conveys the final desired outcome, or ob-

jective, for the project. This is also called the final deliverable. One sure sign of poor project management is a project objective that changes throughout the life of the project.

If the project objective changes, the entire project changes. It is no longer the same project, which in turn means that a new project agreement, schedule, and project plan need to be developed. If your goal is to create your final deliverable as fast as possible, do not change your objective after you have completed your project planning event.

Project objectives can change for all kinds of reasons. Most commonly, perhaps, the objectives change if the basic concepts of the project change: for example, customer requirements, differing resources needed to complete the project, new threats from competitors, or the inability to get materials from suppliers.

To prevent the need to change the project objective when external conditions change, do not make the objective too general or vague. While doing so may speed up the project planning stage, it will slow down the project. Instead, create tight, well-defined project objectives and do not change them after you have completed the APM launch event.


In the early 1960s John F. Kennedy set a well-defined project objective when he defined the project objective of the United States space program. It was so well defined that even to this day many people remember it. The objective was to get a man to the moon and back by the end of the decade. The goal was not changed to “establish a colony on the moon” or “go to the moon and then on to Mars.” The goal did not change. It was not too vague (explore travel to the moon); it was not too specific (we will use a rocket with solid propellant fuel to launch a space shuttle vehicle that has equipment to drive around the moon and make parachute reentry into the ocean) — and the American people succeeded. Accelerating projects requires that you set concise project objectives with clarity and a commitment to follow through.

To give you an idea of what goes into a good project agreement, here is the e-commerce project's project objective.



PROJECT OBJECTIVE (SEE 1.1)

The final deliverable will be a website that our customers can use to order our products and to submit requests for quotes for specialized products and services.



Project Boundaries


Project boundaries specifically state where the project team begins its work and what signifies the end of the project. The definition of the project boundaries helps the project team make sure that it has the necessary factors, or inputs, to start the project. This definition also helps give the team a clear idea of what will signify the project's success. Projects can generally move faster when there are tighter project boundaries that are relatively short in duration and not too complex.

The team members of the e-commerce project set boundaries by defining when their job starts and when it should be finished.



PROJECT BOUNDARIES (SEE 1.2)

The project team starts with examining the existing website, including the existing order-fulfillment system and financial systems, and ends with reviewing the customer surveys from the newly launched e-commerce website.



Customer Definition

You must determine the identity of your customer, or the person(s)