

## 2.1: Introduction

### Learning Objectives

After reading this chapter, you will be able to:

1. Explain the three broad categories of projects
2. Discuss SMART criteria for developing and defining projects
3. Explain the types of costs that need to be considered (Direct Costs, and Overhead Costs)
4. Describe the elements of a project charter and explain its role in the initiation phase
5. Identify the value of a project charter to project success
6. Explain issues related to the project scope
7. Use a simple checklist and a weighted scoring model
8. Identify project requirements
9. Explore the internal and external environment of a project

All projects are undertaken for a reason. Some projects can be initiated for business reasons (i.e., strategic objectives) such as increasing profits, decreasing customer wait time, and improving employee working conditions. Other projects exist for social reasons such as a municipal recycling system or installing clean energy solutions. Often, the pressure to produce results encourages people to identify possible solutions without fully understanding the needs and purposes of the project. This approach can create a lot of immediate activity, but it also creates the likelihood that the change initiative will fail to deliver the proposed organizational value.

One of the best ways to gain approval for a project is to clearly communicate the project's objectives and describe how the project provides a solution for an organizational need or how it capitalizes on a business opportunity. A needs analysis that accompanies a business case is often conducted to better understand the underlying organizational needs and how meeting these needs would help the organization achieve strategic objectives (e.g., increase profits, improve customer experience, develop new products). Once alternative solutions are identified, each solution is assessed to determine if it supports the organization's vision and strategies. Issues of justification ("should we do the project?") and feasibility ("can we do the project?") are addressed for each solution. Finally, some projects are selected to initiate. It is important to note that project justification is a key part of the project initiation phase: a project must have a reason to exist and, if no such justification can be determined, then it's best to stop the project before too much time, money, and resources are invested in it. If issues of justification are not adequately addressed, the project will lack the required organizational support and, therefore, will ultimately be unsuccessful.

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