

DEFINITIONS: WHAT IS A TEAM CHARTER?

Teams that work together for extended periods on a variety of projects may already think they know their team's overarching purpose and charter. If you are in marketing, for example, your job is to perform various tasks related to supporting your company's marketing campaigns. But what makes your team different yet cohesive among its individual members? Without a team charter, it can be hard to pinpoint shared goals and get buy-in from individual members.

A team charter is a written document created to provide the true "North Star" for a team or project. It spells out the team's mission, scope of operation, objectives, consequences, and, if applicable, time frame. The true defining feature of a team charter is that it must be created and supported by every member of the team. A team charter dictated by top management, or a few members at the expense of the input from others, is not a true representation.

This leads to the question, what is a team? A team is a group of employees, managers, and even long-term contractors who work together over a lengthy period on a variety of related projects. If members come and go over time, it's important for the new team to regroup on its charter, and not simply pass it along, or it will become an unhelpful relic.

Some executives may be more familiar with a project charter than a team charter. They serve similar purposes, but for different groups and goals. A [project charter](#) covers terms of a specific project, which may last weeks or months (or even years). The defining factor of a project charter is that it applies only to the team and for the duration of a specific project. Such projects could be the creation of collateral for the release of an update to a product, a public-relations initiative, the construction of a building wing, and so on. After the project is concluded, the charter no longer applies.

A team charter, however, takes a bigger look and a longer view. Team members may also find themselves as members of various project charters in their work, and as such the project charters should fit together with the team charter agreements.





WHAT IS THE BENEFIT OF HAVING A TEAM CHARTER?


A team charter should provide a succinct vision and mission that everyone on the team supports. The charter should also be a yardstick that can be held up against any activity considered or pursued by the team.

Once a team has been announced or created, all members should come together, before tackling any specific deliverables, to create the charter. In this way, all members get a voice, which can help assure their support and buy-in, and increase accountability. The purposes of a team charter include:

- Getting the buy-in of all team members, including ones who may have initially resisted being included
- Holding team members, including leadership, accountable to all the same principles
- Spelling out roles and responsibilities in a clear, measurable way
- Defining operations, including ways to adapt to change, address roadblocks, and even define actions like attendance
- Demonstrating the team's purpose and mission transparently to others in the organization
- Providing clarity and reducing confusion in cases where conflicting asks or projects arise

“Why you're creating the team in the first place should lead your team charter,” says Debbi Tillman, Director of Program Management at [Mitchell International](#) in San Diego. “And you need a team charter any time you need to form a deeper synergy among team members.”





“This can be especially critical if you are bringing together two teams that have previously worked separately,” Tillman continues, “Getting everyone’s input and buy-in is really critical to the success of your new team.”

SKIPPING THE TEAM CHARTER: RISKS TO OPTIMAL SUCCESS

There can be a heightened sense of urgency when a new team is formed, which may lead executives and others to feel inclined to skip forming a team charter. After all, there’s important work to be done. Although there may be a sense that the team “can’t afford” two or three days to workshop a team charter, and some less-than-enthusiastic members may pooh-pooh the need for a charter, nothing is further from the truth. Not having a charter can easily (and quickly) result in chaos and missteps because there is no clarity around roles, operations, or even the team’s direction.

“It doesn’t have to take a long time to create the charter,” Tillman says. It could range from an afternoon or up to two to three days, depending on the size and scope of the team. “But as the principles of Agile say, ‘You have to move slow so you can move fast.’ In other words, take the time for everyone on the team to create the charter, so that everyone is clear and feels empowered to move forward.”

When a team charter is written down, it becomes a powerful toolbox. “It becomes deliberate instead of guesswork,” Tillman adds. “A big risk to not having a charter is inertia. In other words, the loudest or most intimidating team member may end up pushing forward his or her agenda. And this isn’t what the entire team signed up for.”

HOW TO CREATE AN EFFECTIVE TEAM CHARTER

Think of creating an effective team charter as the road map not only for work but for focus, priorities, values, and more. After all, a team is made up of people, who are motivated by different things, and team chartering should reflect as many dimensions of the team members as possible. Some important questions to consider:



- **Who is involved:** Every person on a team should be involved, or it will end up struggling or failing. Working through resistance or ambiguity in the creation of a team charter at the beginning will “forge bonds and set the foundation” for success, says Tillman. No one gets to opt out.
- **Who is the team leader, and who resolves conflict:** A key element to decide early on is the team leader, who is second in command, and so forth. If the team is big enough, there may be leaders over different subject areas. These should be agreed upon together and written as part of the charter. The same thing goes for how conflicts are resolved, and if there is an escalation path that should be documented.
- **How long does the process of creating a charter take:** This can vary. Many business leaders say the time frame can be from a half day to a two- or three-day workshop. The key is ensuring that all members of the team contribute, and that once the charter is created, everyone feels good enough to sign it and proceed with their work.
- **How long does a team charter last:** The team should decide if the charter will cover all work for a quarter, a year, or ongoing. If the team can agree on a charter that covers a full year, with occasional check-ins as needed, they can feel empowered knowing that it won’t be subject to frequent change.

Below is a diagram that shows typical steps involved in creating a team charter. Note that these pieces don’t necessarily have to be done in any particular order, but all these steps are required to create an effective team charter

FIRST ELEMENT OF A SUCCESSFUL TEAM CHARTER: BACKGROUND

When creating a team charter, it’s best to start at the beginning. Members should come to the charter creation with whatever background actions and decisions have led them there. Is the team a department in a big organization? Is it a newly created team that focuses on specific types of projects? Is it to become a new team comprised of two previously independent teams? Bring as much information as you can, so you can begin to make your team background outline. Key questions to ask:

- Who is the team leader? When that person isn’t available, who is the second in command, and so on?



- What do key stakeholders need and expect from this team?
- What does each team member bring to the team, and what are their individual expectations? This last question is essential to get support and buy-in, especially if there are any reluctant parties.

SECOND ELEMENT OF A SUCCESSFUL TEAM CHARTER: MISSION & VISION OBJECTIVES

Once the background and leadership of the team has been established, you can begin to focus on the deeper aspects of the charter. These will become elements of the North Star: the guiding principles that all the team activities should support and roll up to. Key items to discuss include:

- **Decide what success looks like.** How is it measured?
- **Spell out the principles** to guide the team for the length of time they will work together.
- **Define the key role** that the team plays in the success (financial and otherwise) of the company.
- **Craft a mission statement that is succinct.** This may or may not be shared more widely beyond the team, but keeping it succinct means it's easy to mentally grasp and perform checklists against. Tillman says, "My [program management] department's team mission statement is: 'We operationalize calm.' This is part of our value proposition to the entire organization, and we really try to measure everything we do against that."
- **Create interim deadlines**, goalposts, and milestones, to determine how work, performance, and team interactions map back to the charter.

THIRD ELEMENT OF A SUCCESSFUL TEAM CHARTER: ROLES AND RESPONSIBILITIES

Once you have your mission and vision statement created, and everyone has brought his or her background, goals, and individual responsibilities to the table, you can define the team's roles and responsibilities. Some of this will begin taking shape, in fact, thanks to the previous steps. Now you can begin to write them down and define them:

- Spell out who is doing what and for whom.




- Assess all the expertise needed for the team to achieve its goals.
- Note gaps to fill. Are new team members needed (contract, part-time, occasional participants from within the company)?
- Create a [RACI](#) (Responsible, Accountable, Consulted, Informed) matrix of roles and responsibilities.
- Ensure that every team member's voice is sought, recorded and reflected in the definitions. This is key to both the charter and the team success. If even one team member doesn't feel heard or involved, or doesn't support the structure, the team likely won't succeed.

| Tasks | Role 1 | Role 2 | Role 3 | Role 4 |
|------------------------|--------|--------|--------|--------|
| Stage 1 | | | | |
| Task 1 | C | C/I | | R/A |
| Task 2 | A | | R | |
| Task 3 | | A | C/I | |
| Stage 2 | | | | |
| Task 1 | R | | | C |
| Task 2 | | C | | A |
| Task 3 | C/I | R/A | I | |
| Stage 3 | | | | |
| Task 1 | A | | C/I | R |
| Task 2 | | R | A | A |
| | | | | |
| R = Responsible | | | | |
| A = Accountable | | | | |
| C = Consulted | | | | |
| I = Informed | | | | |

FOURTH ELEMENT OF A SUCCESSFUL TEAM CHARTER: BUDGET AND RESOURCES





Once roles and responsibilities are defined, the team can assess its budget and resources for the tasks at hand. There are typically two ways a team's budget is determined.

1. **The top-down method:** In this scenario, the team uses the budget provided for the relevant time period, and decides how to divide it up among projects and tasks.
2. **The bottom-up method:** There is often not enough time allotted for this method to be used, but it can be much more strategic and useful. In this method, the team as a group (or a dedicated sub-group) decides what kind of budget and resources it needs for its operations, and requests it of the larger organization. However the budget is ultimately determined, it's up to the team to ensure that the resources are then allocated correctly. Then the team can create a team budget that reflects projects and milestones.

FIFTH ELEMENT OF A SUCCESSFUL TEAM CHARTER: INTERNAL CHECKS, BALANCES, AND REVIEWS

: Fifth Element of a Successful Team Charter: Internal Checks, Balances, and Reviews

A team charter is only as effective as the actions that are measured against it, so it's important for the team to spell out how internal checks and balances and reviews will be handled. What is expected of each sub-team and team member, and when? How often are full team check-ins, and what kind of topics should be covered? What are the goals of individual team members and how will they be measured?

Team leaders should decide, also, whether team goals assigned to members will be reflected in the team members' annual reviews. An efficient system is the use of [SMART goals](#). These goals should be:

- Specific
- Measurable
- Achievable
- Realistic



- Time-based

On Debbi Tillman's team at Mitchell International, some of the team's goals become akin to a company "service-level agreement." For instance, as part of her program management department's team charter, members have agreed that for every request of someone in the department, that person will get back to the requester within two hours. Additionally, any request and next steps will never have more than a two-day wait.

It's also critical to spell out team members' accountability. This applies to everything from attendance at team meetings to broad deliverables.

Finally, this step should ensure that there is no confusion about performance and individual comportment as they map back to the highest levels of the team charter.

SEVENTH ELEMENT OF A SUCCESSFUL TEAM CHARTER: TEAM MEMBER ASSESSMENT AND EVALUATIONS

The team charter provides an excellent yardstick for individual performance within the team. The team and human resources department should decide to what degree the team assessment and evaluation will shape or affect the team member's annual review. It's also important to ensure two-way dialogue and feedback, so that the team doesn't revert to a top-down model for assessments and evaluations. Individual contributors should have the opportunity to give feedback on team leaders' performance. It's also critical to invite peer-to-peer feedback, so that everyone can share their own perspectives on a team member's performance.

WHERE TO LEARN MORE ABOUT EFFECTIVE TEAM CHARTERING

If you're interested in learning more about the theory and application of team chartering and how to create an effective team charter, there are several business books with useful information. Here are a few:

["The Six Sigma Way: How, GE, Motorola, and Other Top Companies Are Honing Their Performance"](#), by Peter S. Pande, Robert P. Neuman, and Roland R. Cavanagh.





[“Creating Effective Teams: A Guide for Members and Leaders”](#), by Susan Wheelan.

[“Creating Productive Organizations: Developing Your Work Force Manual”](#), by Elizabeth A. Smith.

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