

Projects vs Skills

The one distinction that trips everyone up. Projects and Skills sit next to each other in Claude, and they are easy to confuse. Here is the clean line: a Project stores knowledge, a Skill performs a task. The what, and the how.

Projects

THE WHAT

A home for what Claude should know.

- A self-contained environment you set up once.
- You add two things: **context** (instructions) and **content** (knowledge).
- Instructions apply to every chat in the project: tone, process, format.
- Holds its own memory, chat history and knowledge base.
- Name files descriptively, because retrieval works off the filenames.
- Scales on its own: near the limit it switches to retrieval and holds far more.

Skills

THE HOW

A repeatable way to run a task.

- Expertise packages and procedural machines: folders of instructions Claude loads.
- Runs the same task the same way every time.
- Two kinds: Anthropic's built-in ones (Excel, Word, PowerPoint, PDF) and your own.
- A preview on paid plans; needs code execution turned on.
- Can pull from a Project's knowledge: the what feeds the how.
- You make one by talking to Claude: it interviews you, you save the file.

The line to remember

Projects store knowledge; Skills perform tasks. If you are collecting information Claude should work from, that is a Project. If you are encoding a job you repeat the same way, that is a Skill. A Skill can read from a Project, so they work together, but they are not the same thing.

How to tell which one you need

Is it information or a procedure? Information you want on hand goes in a Project. A procedure you repeat goes in a Skill.

Would you re-explain it, or re-do it? Re-explaining context every chat means you want a Project. Re-doing the same steps means you want a Skill.

Can you say what good looks like? If you already do the task well enough to describe the standard, it is ready to become a Skill. If not, keep it a Project and keep learning it.

PROJECT

Your client work: their brand guidelines, past deliverables, and a standing instruction on tone. Every chat starts already informed. **The what.**

SKILL

"When I upload a call transcript, summarise it using this template." One task, same shape every time, run on demand. **The how.**