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المركز العالمي للتدريب والتطوير
International Centre For Training & Development



PROJECT BUDGETING
And Cost Management

Course Introduction:

Managers and customers expect to get value for money. A significant number of projects have been cancelled or are seen as a failure because they ran too far over budget. This program will present the participants with straightforward approaches to developing a cost baseline and setting up a cost tracking system so that the budget is well managed during the project's life cycle. The program will cover:

- The PMI PMBoK global standard for managing projects
- Estimating cost techniques, including the Work Breakdown Structure, Work Packages and risk management considerations
- The S-curves for risk and cost estimates
- Control accounts and change control
- Earned Value Management, performance variances and management recovery options

Course Objectives:

This program will provide participants with a proven set of methods, processes, tools and techniques to develop a systematic and dynamic project plan to ensure progressive monitoring control and reporting of project cost. This program will enable participants to:

- Understand the benefits of good project cost control for successful project outcomes
- Use best practice to minimize costs and negative impacts
- Describe a typical project cost management lifecycle
- Explain the action required at each phase of the project cost management lifecycle and understand the significance of each phase
- List the key attributes of cost necessary to understand and manage cost effectively
- Explain the key steps required to improve project estimates, budget and cost base lining, performance measurement and analysis, cost monitoring and control during project execution and interpreting and reporting project performance throughout a technical project lifecycle
- Specify key quantitative measures for determining the project performance using Earned Value Management (EVM)
- Provide meaningful project progress reports using EVM together with forecasts of likely outcomes and management options to correct where necessary
- Apply this cost management process to a simple case study

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Who Should Attend?

- Project managers and project team leaders who wish to build upon and consolidate their project management skills
- Project planning engineers and heads who need to develop their project management skills
- Senior project control and business services professionals who have the responsibility for planning, monitoring and controlling, and reporting on project budget and cost performance

Course Outline:

An Overview of Project Management

In this module the participants will learn the PMI PMBoK® globally accepted standard approach to managing projects. This will provide the context for developing and managing the project budget. This module will cover:

- Basic Project Management definitions
- The PMI PMBoK® project management processes
- Project phases and life cycles
- Typical project terminology
- Setting up for success
- The project cost management processes – estimate costs, determine budget and control costs

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Developing the project schedule – estimating cost

The basis for good cost control is the development of an accurate Work Breakdown Structure (WBS) on which the work packages depend for accurate estimation. In this module we will create the overall project schedule and learn how the project cost is tied to each individual project activity. This module will cover:

- Understanding project management inputs to estimating cost
- Creating the work breakdown structure (WBS)
- Work Packages as building blocks
- Estimation techniques
- Optimizing the schedule
- Estimating the overall project cost

Developing the project budget – determining budget

Whether working on a simple or complex project all project managers need to develop an accurate budget based on the total resources required for their project. Here the participants will

learn how to create the detailed budget and the cost baseline necessary for project control. This module will cover:

- Understanding project management inputs to determining budget
- Estimating personnel, materials and equipment costing including overheads Cost aggregation
- Considering the risk management process, risk response planning and risk reserves
- Estimating Risk Response costs, and Reserve or Contingency cost
- The S-Curve for risk and for cost

Utilising Control Accounts and effectively controlling project costs

In this module the participants will learn about setting up Control Accounts, the Project Cost Performance Baseline and the necessary steps to monitoring and controlling the project budget. This module will cover:

- Control Accounts and the Control Account Plan (CAP)
- Understanding what measures are required
- Change Control processes and re-base lining the cost performance baseline
- Understanding project management inputs to controlling costs
- Identifying and managing hours worked
- Tracking costs

Project performance measurement, Interpreting and Reporting EVM results

Whether or not the project manager is familiar with Earned Value Management, it is rapidly becoming the favored means of tracking project performance. In this module the participants will learn that for large, complex projects the most accurate way to track progress and performance is through Earned Value Management. Participants will learn about measuring and interpreting EVM results and how to report project status to senior management and customers. This module covers:

- What is Earned Value Management (EVM)?
- What are the main measures used for EVM?
- Analyzing results – variances, performance indices and forecasting
- Interpreting results and considering options to redress unacceptable variances
- Forecasting and developing response plans
- Reporting EVM to senior management and customers

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Course Certificate:

International Center for Training & Development (**ICTD**) will award an internationally recognized certificate(s) for each delegate on completion of training.

Course Methodology:

A variety of methodologies will be used during the course that includes:

- (30%) Based on Case Studies
- (30%) Techniques
- (30%) Role Play
- (10%) Concepts
- Pre-test and Post-test
- Variety of Learning Methods
- Lectures
- Case Studies and Self Questionaires
- Group Work
- Discussion
- Presentation

Course Fees:

To be advised as per the course location. This rate includes participant's manual, and-Outs, buffet lunch, coffee/tea on arrival, morning & afternoon of each day.

Course Timings:

Daily Course Timings:

08:00 - 08:20	Morning Coffee / Tea
08:20 - 10:00	First Session
10:00 - 10:20	Coffee / Tea / Snacks
10:20 - 12:20	Second Session
12:20 - 13:30	Lunch Break & Prayer Break
13:30 - 15:00	Last Session