

Duration 1 Day

TC1035

## OVERVIEW



Increasingly tougher economic conditions mean increasingly tighter project budgets, and a more aggressive focus on meeting a financially on-target delivery.

Every project involves cost management. Whether its delivery is internal or external to the organisation, every project has a cost implication to the organisation's bottom-line profit, cash flow and overall financial wellbeing.

Poor estimates, unrealistic budgets, ROI's falling short of expectations, poor change control and generally poor financial management usually reflect a lack of knowledge and awareness of the processes, tools and techniques that are available for managing project costs effectively.

Our practical workshop focuses on providing the knowledge, techniques and practical application of project costing tools to support participants in successfully managing project cost, thus ensuring the maximization of business returns.

Participants will be guided through a practical and best practice process-oriented approach to managing cost, and will take back to the workplace the ability to apply this knowledge within a realistic and structured framework.

## WORKSHOP OBJECTIVE

Participants will learn to apply proven methods for preparing estimates, developing and tracking budgets, and use Earned Value Analysis (EVA) to ensure that the forecasted benefits and Return On Investment (ROI) are achieved. I'd skip the bold...

## TARGET AUDIENCE

This workshop is designed for:

- Project Managers who have not received formal training in Project Cost Management
- Individuals who are about to lead activity on a project
- Project Managers wishing to refresh knowledge, skill and application in Project Cost Management

## PREREQUISITES

General Project Management knowledge and experience is essential for attending this workshop. Participants will, ideally, have successfully completed a Project Management Fundamentals workshop and understand the crucial role that cost plays within the project management environment.

## PRE-COURSE WORK

In 200 words or less, describe your current approach to Project Cost Management. Please provide a very high level overview of the critical success factors that contribute to your planned delivery.

**Duration 1 Day**

**TC1035**

## LEARNING OUTCOMES AND FACILITATION

Successful completion of this workshop will enable participants to:

- Clearly understand the cost management discipline and process
- Recognise potential pitfalls and understand avoidance strategies
- Use a cost management estimation and control plan
- Understand the process and importance of:
  - Cost Estimation
  - Cost Budgeting
  - Cost Control

Facilitators of this workshop will use a scenario and case study delivery approach to provide participants with a 'hands-on', multi-faceted and challenging learning experience.

## 7 PROFESSIONAL DEVELOPMENT UNITS (PDUs) AWARDED

PM-Partners group is a Global PMI (Project Management Institute) Registered Education Provider.



Participants who have been awarded the Project Management Professional Certification (PMP®) by the Project Management Institute are eligible to earn 7 PDUs for their participation in this workshop.

## DELIVERY

All workshops may be conducted onsite or at our premises, with experienced facilitators providing group and/or individual instruction. Training is provided through hands-on learning, relevant exercises and the provision of a participant handbook containing training materials, tools, templates and case studies. Our participants are also entitled to complimentary telephone consultation/advice within 60 days of workshop completion.

## ASSESSMENT/ASSIGNMENTS

Assessment of competence is established by observation of contribution and participation during case study exercises and group discussion.

Follow-up assignments are not part of this workshop offering, but may be designed and conducted upon request.

## OPTIONS AND CUSTOMISATION

Optional training modules can be added to this workshop:

- Additional day to cover other aspects of project management.
- Additional 1 day overview of Microsoft Project; a powerful tool for helping you to estimate, plan and control your projects.
- Other options available upon request

This workshop can be cost effectively customised to your business environment using a project scenario from your workplace.

## Workshop Content Summary

- Introduction to Managing Project Cost
  - The importance of managing costs effectively in a project.
  - The Three Cost Management Processes:
    - Estimate Costs, Determine Budget, Control Costs
  - Lifecycle costing and activities
- Financial Considerations
  - An overview understanding of the important financial factors in any project undertaking
  - An awareness of the types of costs inherent in projects, as well as the types of benefits/returns to be gained by them:
    - Costs: Sunk, Variable, fixed, Direct, Indirect, Opportunity, Depreciation
    - Returns: ROI, PV, NPV, IRR, Payback Period, Benefit Cost Ratio
- Getting Ready to Estimate
  - An appreciation for the foundations of effective cost estimating:
    - Effective Scoping, Building a detailed Work Breakdown Structure, Risk and reserves Planning
  - Practical revision of the essential steps for creating a work breakdown structure and considering risks
- Cost Estimating
  - What is involved in cost estimating
  - 3 Key project estimate types and respective accuracy levels
  - Basic Estimating tools and techniques
    - 3-point, Bottom-Up, Analogous, Parametric, effort and resource, time-cost-quantity
    - Wideband Delphi project estimation technique
- Cost Budgeting
  - Presenting the project budget using graphs, spreadsheets and Microsoft Office Project
  - Guidelines for producing accurate bids
- Cost Control
  - Introducing the project Cost Management Plan
  - Tracking and measuring performance with Earned Value Management (EVM)