

Project Cost Management - 2 Days

Course Description:

The Cost Management course addresses the identification, elaboration, planning, and management of the project budget. Including selected processes from the PMI Integration, Cost, Scope and Risk Knowledge Areas, this class addresses the development of a Project Cost Estimate, Project Budget, and the Project Budget Baseline. In addition it addresses the preparation of a spending profile that supports variance analysis and corrective action using Earned Value Management. Using a combination of theory based lecture and hands on exercises, students are provided with an effective skill set for developing and controlling the project budget baseline.

Strategic Course Goals and Objectives:

1. Fluency in cost estimating methods
2. Skills and tools allowing the development of a project cost estimate
3. Development and management of the Cost Baseline
4. Ongoing cost baseline management and control

Tactical Skills:

1. The mechanics of Bottom-up Estimating
2. The mechanics of Analogous Estimating
3. The mechanics of Parametric Estimating and "Cost Estimating Relationships"
4. How to read and analyze a project cost estimate
5. Life-Cycle Costing - how to estimate the costs of a project over the project life cycle
6. Time-Phased Budgeting - how to prepare the budget/cost baseline
7. A comprehensive introduction to cost variance analysis and cost control

Course Audience:

This course is intended for both project team members and project managers wishing to gain a fluent working knowledge of commonly accepted best practices for planning and management of the project cost baseline. Team members and managers looking to improve their project cost estimating and cost budgeting skills and looking to improve their understanding of how to deliver their projects within budget should take this course. Students on a track to take the PMP examination should take this course.

Prerequisites:

1. *Project Management Foundations* or
2. Equivalent project management experience

Program Contents

Module 1 - Introduction

- Course Description
- Course Prerequisites - Suggested
- Course Goals
- Course Outline Per Day
- Course Documents
- Course Norms - Students
- Course Norms - Instructor
- Exercise: Introductions
- Exercise: Instructor Introduction
- Exercise: Student Expectations
- Exercise: Form Teams
- Module 1 - Summary

Module 2 - Project Management And Cost Management

- Types Of Work For All Organizations
- Compare Work
- Comparison Chart
- Research From Surveys
- Results Of A Project Culture
- PMBOK® And Project Management Terms
- PMBOK® Terms
- Paradigms Of Project Work
- Project Management Process Groups
- Overview Of Project Cost Management
- Project Cost Management In Planning
- During Planning - Remember
- Exercise: Doe Case Study
- Module 2 - Summary

Module 3 - Project Cost Management Overview

- Some PMBOK® And Pm Terms
- Definition Of Pcm
- Project Control Management
- Why Is This So Important?
- Defining PCM
- Includes
- Remember: Laws Of The Universe
- As The PMer, You Are:
- Project Cost Management Overview
- Where Is What Done?
- Estimating Costs
- Determine Budget
- Controlling Costs
- Estimates Evolve
- Practical Points
- More Practical Points
- The CMP Can Establish
- PCM
- Exercise: What Do You Do?
- Module 3 - Summary

Module 4 - Estimate Costs

- Some PMBOK® And Pm Terms
- Project Cost Management Overview
- Estimate Costs
- Estimate Costs: Inputs
- Estimate Costs: Tools And Techniques
- Exercise: Parametric Estimate
- Exercise: Analogous Estimate
- Estimate Costs: Outputs
- Estimating Errors
- Exercise: Those Errors
- Module 4 - Summary

Module 5 - Determine Budget

- Some PMBOK® And Pm Terms
- Project Cost Management Overview
- Determine Budget
- Determine Budget: Inputs
- Determine Budget: Tools & Techniques
- Cost Aggregation Chart
- Exercise: Case Study Budget
- Determine Budget: Outputs
- Module 5 - Summary

Module 6 - Control Costs

- Some PMBOK® And Pm Terms
- Project Cost Management Overview
- Control Costs
- Control Costs: Inputs
- Performance Information
- Control Costs: Tools & Techniques
- EVM Basic Definitions
- EVM Formulas For Cost
- EVM Formulas For Schedule
- The S-Curve For Earned Value
- EVM Formulas To Forecast
- Evm Formula For To-Complete Performance Index
- Control Costs: Outputs
- Walkthrough: 5-Day Project's EVM
- Proof Reading Project EVM Numbers
- Exercise: Cast Study EVM
- Exercise: Projects
- Module 6 - Summary

Module 7 - Putting It All Together

- Some PMBOK® And Pm Terms
- Guideline And Tips For Estimating
- Sample Of Estimating Template

- WBS Dictionary Template
- Basic Flow For Plan Development
- Project Cost Management Overview
- What To Do?
- Working Toward Better Estimates
- How To Generate Better Estimates
- Bewares Of Estimating
- Affects On Estimates
- Detailed Budget Estimates
- Budget Negotiations
- Factors Dooming Estimates & Budgets
- Think About These For Resources
- Setting Goals
- Words Of Rudyard Kipling
- Practical Tips For Staying On Baseline
- Module 7 - Summary

Module 8 - Course Closeout

- Project Cost Management Overview - Questions?
- Exercise: Take-Aways
- Expectations
- Exercise: Complete Feedback Form
- Module 8 - Summary

Case Study: Department Of Energy