

# Managing Project Cost

IP220 | Length: 1-2 days | Credits: 14 PDUs | Talent Triangle - Technical

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## Overview

The purpose of managing project cost is the completion of the project within budget constraints. While cost of resources is the main focus, a broader, life-cycle costing view is examined. Care should also be given to the manner in which different stakeholders measure project costs.

This workshop provides participants with a clear four-step process for managing costs:

- Plan Cost Management
- Estimate Costs
- Determine Budget
- Control Costs

Participants learn practical techniques for each of these steps. Throughout the course the role of the Project Manager in the cost management process is examined.

## Learning Objectives

Participants will learn how to:

- Employ standard GAAP terms and definitions correctly when interfacing with Financial Operations.
- Lead the project team through a systematic process of identifying appropriate resource requirements and estimating the associated costs.
- Develop and express risk in terms of contingency amounts.
- Prepare project budgets, spending plans, and alternative analyses.
- Execute cost control tools and techniques (such as EV) to provide for good decision making, keeping the project within cost constraints.

## Instructional Strategies

This workshop utilizes brief lectures, guided discussion, individual and team skills practice in situational case studies, and review exercises. At the end of each module, there is a review of key points and time set aside for participants to write down ideas and techniques they intend to implement back on the job. Participants are encouraged to share experiences, ask questions, and participate in class discussions.

## Audience

Current and aspiring project managers, sub-team leaders, and team members. Project clients, sponsors, and other stakeholders may also benefit.

## Prerequisites

None, although a course in project management basics is recommended.

## Content Outline

### Module 1 - Introduction to Managing Project Cost

- Purpose
- Key Concepts and Definitions
- General Costing and Project Costing Context
- PMI Perspective Overview

### Module 2 - Plan Cost Management

- Develop a Plan to Manage Project Costs
- Identify the Key Elements to An Effective Cost Plan

### Module 3 - Developing Cost Estimates

- Estimate Costs - PMI Process
- OBS / WBS Relationship
- Methods for Estimating Costs
- Planning Resources
- Estimate Costs - Definitions

### Module 4 - Determining Project Budget

- Determine Budget - PMI Process
- Reserve Analysis
- S-Curves
- Funding Considerations

### Module 5 - Controlling Project Cost

- Control Costs – PMI Process
- Earned Value Analysis
- Forecasting
- Life-Cycle Costing

### Module 6 - Summary and Re-Cap

- Review of Key Points