



Introduction to IT project management

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Time management – recap

Follow 6 steps of TM

- Define activities
- Sequence activities
- Estimate resources
- Estimate duration
- Develop schedule
- Control schedule

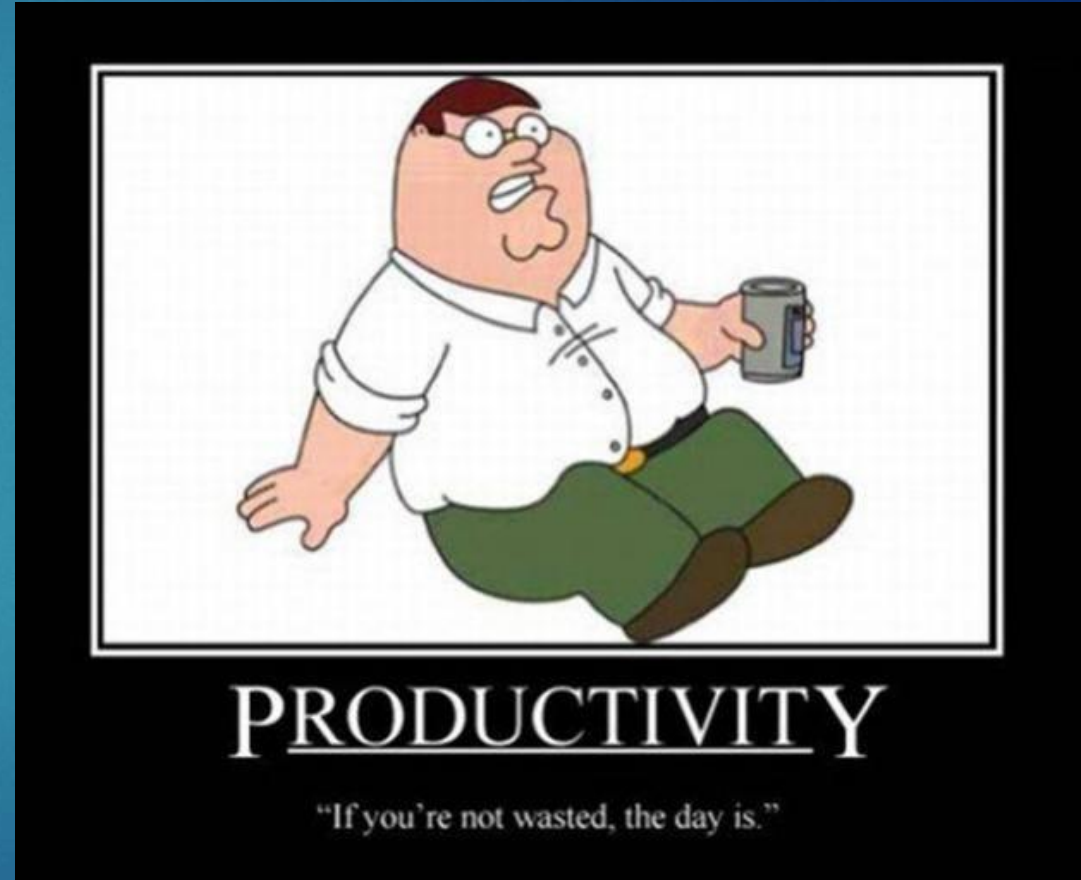
See how long each task is taking

Focus on your tasks

Whatever you do, don't over-commit

Use the 80/20 rule

Use the right project time management tools

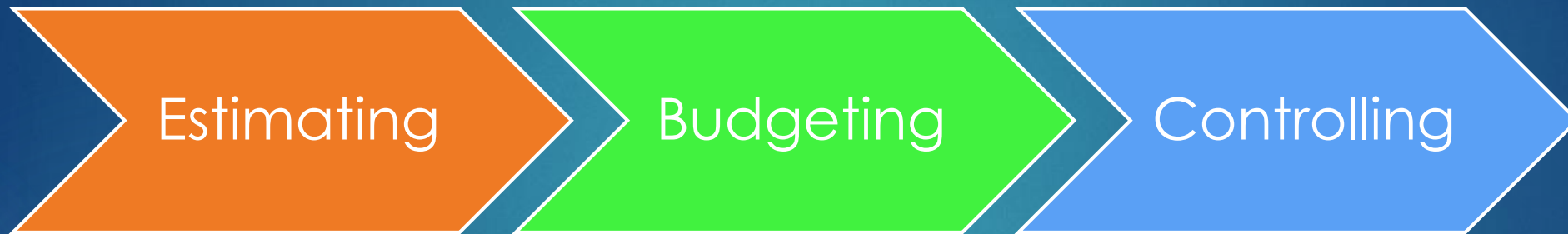




Cost management

IT'S NOT WHAT YOU PAY A MAN, BUT WHAT HE COSTS YOU THAT
COUNTS – WILL ROGERS

Project cost management



Project Cost Management includes the processes involved in estimating, budgeting, and controlling costs so that the project can be completed within the approved budget

Estimate project costs

The Estimate Costs process in project cost management develops a cost estimate for the resources (human and material) required for each schedule activity. This includes weighing alternative options and examining risks and trade-offs. Some alternatives you may consider are make-versus-buy, buy-versus-lease, and sharing resources across either projects or departments.



Estimate Costs Inputs



Project baseline.

Project schedule.

Human resource plan.

Risk register.

Enterprise environmental factors.

Organizational process assets.

Project management cost

Tools And Techniques To Estimate Costs

Expert judgement.

Analogous estimating.

Parametric estimating.

Bottom-up estimating.

Three-point estimate.

Reserve analysis.

Cost of quality.

Project management estimating software.

Vendor bid analysis.

Group decision making



Estimate Costs Process: Outputs

Activity cost estimates

A description of how the estimate was developed or the basis for the estimate.

A description of the assumptions made about the estimates or the method used to determine them.

A description of the constraints

A range of possible results. You should state the cost estimates within ranges such as \$5000 ± 10%.

The confidence level regarding the final estimates.

Labor cost

equipment cost

Cost of supplies

Cost of materials

Travel cost

Training cost

Overhead cost

Contingency reserve cost

Determine budget – inputs



Activity cost estimates.

Basis for estimates.

Scope baseline.

The project schedule.

Resource calendars.

Contracts.

Organisational process assets.

Determine budget – tools

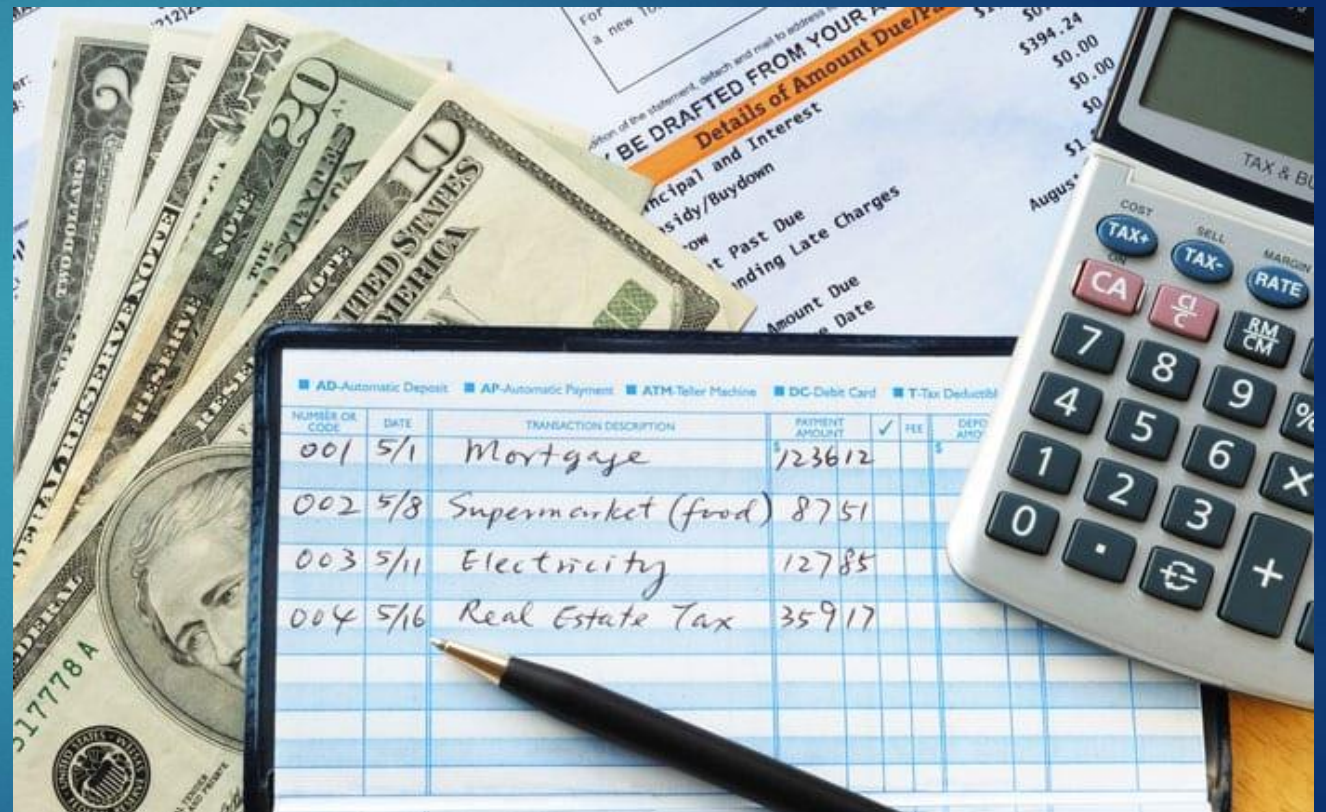
Cost aggregation

Reserve analysis

Expert judgement

Historical relationships

Funding limit reconciliation



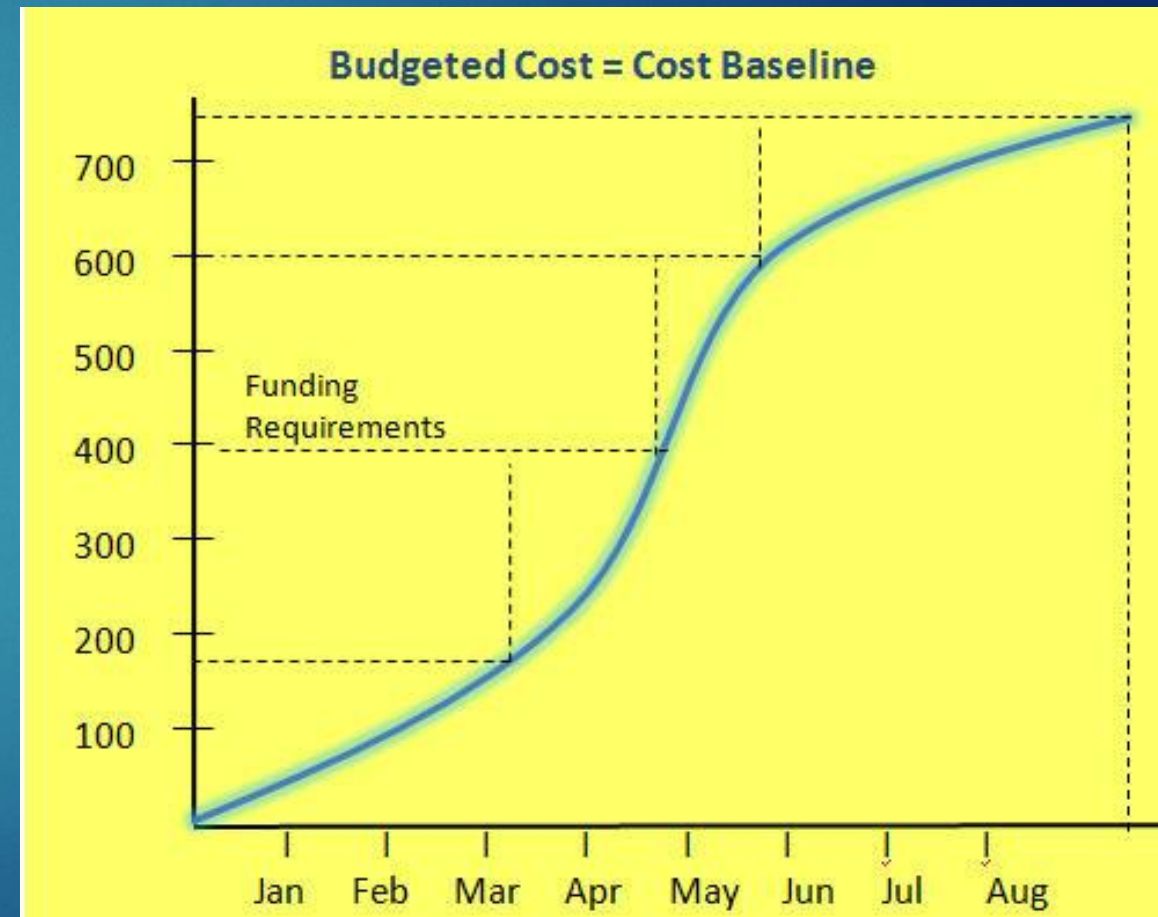
Determine budget – output

Cost performance baseline

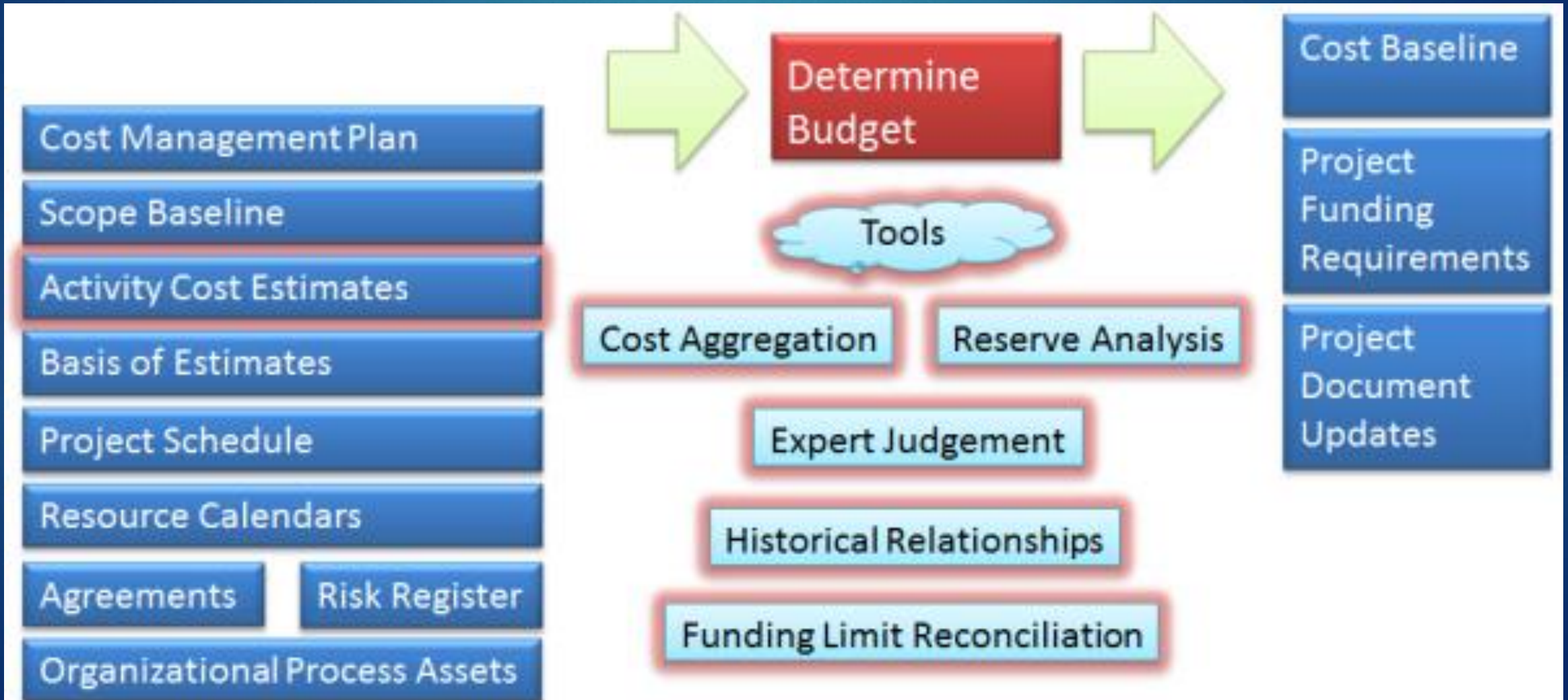
The project funding requirements

Project document updates

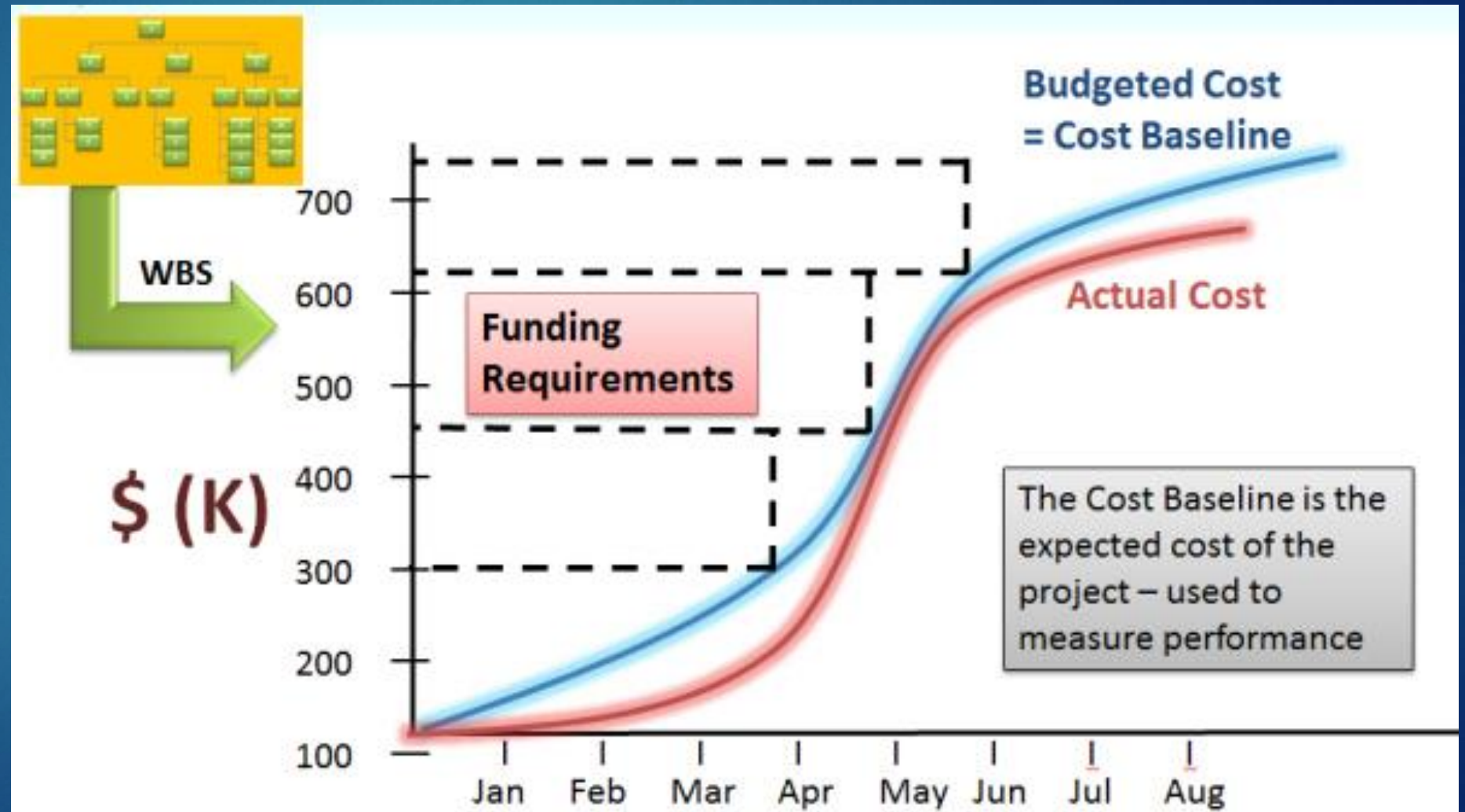
- risk register,
- cost estimates,
- the project schedule



Cost performance baseline



Cost performance baseline



Control Costs

Influencing the factors that create changes to the authorized cost baseline.

Ensuring that all change requests are acted on in a timely manner.

Ensuring that cost expenditures do not exceed the authorized funding.

Monitoring cost performance to isolate and understand variances from the approved cost baseline.

Monitoring work performance against funds expended.

Bringing expected cost overruns within acceptable limits.

Control costs - inputs

Cost baseline

Project funding requirements

Work performance data

Organizational processes assets



Control cost – tools and techniques

Earned value measurement (EVM)

Forecasting

To-complete performance index (TCPI)

Performance reviews

Variance analysis

Project management software



Control Costs – Outputs

Work performance information

CV, SV, CPI, SPI, TCPI, VAC

Cost forecasts

EAC

Change requests

Project management plan updates

Project documentation updates

