

## Course Overview

### The Challenge

The world of projects is rife with cost overruns. This can be caused by inadequate project planning, poor workmanship, vendor delays and a host of other factors. The fact is, there are few organizations who can accurately predict the final cost of their projects on a routine basis. This can cause enormous difficulties. For example, how can we hope to forecast the ROI of our enormous investment in projects if we cannot estimate with any accuracy the cost side of the equation? How can we get a handle on this?

### The Solution

***Building and Managing Project Budgets*** delivers practical, hands---on training in the development and management of project budgets. Budgeting is viewed both from the portfolio level, where effective project selection is critical, to the project level where detailed planning is a must. Attendees are shown how to generate useful preliminary estimates; use a project charter to establish a solid foundation for project budgeting; use Work Breakdown Structure, Risk Analysis and other techniques to drive budget accuracy; employ Earned Value Management as the tool of choice for accurate forecasting; control project cost through effective Change Control; and execute a Transition Plan in order to optimize long term project value. Through lecture, discussion, exercises and other means attendees construct an effective process that they can use to create and manage reproducibly accurate budgets. Topics covered during this course include:

- Why we do projects --- Business Value
- Portfolio Management Perspective: Every Project is an Investment
- Budget lifecycle
- The four functions of the budget
- Using project management best practices to prevent cost overruns
- Creating useful preliminary estimates of project cost
- Importance of the Work Breakdown Structure (WBS)
- Investing in Risk Management to Reduce Project Cost
- Creating a detailed project budget
- The project performance baseline
- Monitoring project cost and progress
- Reporting and Forecasting with Earned Value
- Managing budget risks
- Project cost control
- Optimizing long---term project value

### Who Should Attend

This course will be of immediate value to Business Owners, Project Managers, Portfolio Managers, Budget Analysts, Project Estimators, Functional Managers, PMO/COE Directors, Product Development Directors, Senior Managers, Acquisition/Procurement officials, and Business Managers with project responsibility.

## Prerequisites

This course assumes some experience with project work and budgeting, but no specific prior training is required.

## Course Information

- **Duration:** 2 days. Can be customized by request.
- **Typical class size:** 6 to 24 attendees
- **Participants receive:**
  - PMP®-certified instruction
  - Comprehensive student guide
  - High Quality Project Management templates
  - Certificate of participation

## Course Outline

### **Section 1: Introduction**

- Three project budgets
- Budget functions
- Problems with budgets
- Promise of effective budgeting
- Problems with estimates

### **Section 2: Project Budgets in Context**

- Why we do projects – Business Value
- Choosing the right projects
- Importance of estimates
- Budgeting at the portfolio level
- Budget lifecycle
- Contributors to project budget
- Primary budget attributes

### **Section 3: Project Initiation**

- Budget objectives of Initiation
- The Project Charter
- Project vs. business objectives
- Preliminary scope
- Cost of risk
- Preliminary cost estimates
- Estimation
- Triple constraints

### **Section 4: Project Planning – Scope and Schedule**

- Budget objectives of Project Planning
- Project Scope
- Work Breakdown Structure (WBS)
- Requirements management

- How to develop a Schedule
- Critical Path
- Resource planning
- Impact of scope and schedule on budget

### **Section 5: Project Planning – Procurement**

- Planning for Procurement
- Solicitation
- Vendor search and selection
- Contracts
- Procurement timing
- Impact of procurement on budget

### **Section 6: Project Planning – Risk**

- Definition of Risk
- Work of risk management
- Sources of risk
- Tools for risk identification
- Risk reserves
- The risk budget
- Impact of risk management on budget

### **Section 7: Project Planning – Budget**

- Budgeting steps
- Sources of project cost
- Time-phased budget
- Project funding curve
- Tracking cost
- Phase Gate reviews
- Total Cost of Ownership (TCO)
- Funding limit reconciliation

## **Section 8: Project Monitoring and Control – Change Control**

- Budget objectives of Monitoring and Control
- Sources of change
- Foundation for change control
- The work of change control
- Change control tools
- Managing baselines
- Benefits of change control

## **Section 9: Execution – Status Reporting and EVM**

- Budget objectives of Execution
- Status reporting
- Project metrics
- Earned Value Management (EVM)
- Tracking project cost performance
- Impact of EVM on budget

## **Section 10: Project Execution – Transition**

- Budget objectives of Transition
- Importance of Transition
- Delivering Business Value
- Steps to successful Transition
- Transition benefits
- Impact of Transition on budget

## **Section 11: Project Close**

- Budget objectives of Project Close
- Verify project scope
- Contract closure
- Administrative closure
- End of project report
- Lessons learned
- Impact of Project Close on budget

## **Learning Approach**

- A highly experienced instructor will use interactive lecture format, hands-on exercises, group discussions, and other techniques to drive home the essential points of this material
- We will build on your prior experience in this topic, while providing you with a structure and vocabulary to use in future projects
- If you have modest project budgeting knowledge, you will find that the clarity of the material and direct presentation style of the instructor will make the subject matter easy to understand
- You will receive a Student Guide which will help you follow the material, take notes and retain what you learned so that you can apply it on your job

## **Why Should I Take This Course?**

- If you are experiencing difficulties defining and managing project budgets, the material in this course will give you an understanding of steps you can take to gain control.
- Experienced project managers will obtain a vocabulary and framework that lends new perspectives on budgeting to the wealth of experience they already have.
- All participants take home a set of tools and techniques to help them deal with the many aspects of project budgeting.
- Take this course and learn how to avoid the budgeting problems that business managers most often encounter in their projects.

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