

# TOTAL SYSTEMS EDUCATION, LTD.

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TSE037LI

## PROJECT COST MANAGEMENT WORKSHOP



### Course Description

More so now than ever, organizations are watching every dollar, euro and yen. Project Managers are asked to do more, with better quality, for less money. How well project teams estimate the costs of their projects can be the difference between success and failure!

The course is designed to follow the Cost Management Knowledge Area of the PMBOK (Project Management Body of Knowledge) in a very practical way. It certainly prepares participants for on-the-job cost estimating, budgeting and controlling, while providing the added benefit of following the PMI® way.

Participants involved with PMI and the Project Management Professional – PMP program are awarded **5 PDUs** or “Contact hours”. **Our Global R.E.P. number is 1270.** Upon client request, the workshop will be taught as a PMP Preparation session to assist team members wanting PMP Certification.

Upon completion of this five hour module of training, participants will be able to:

- ◆ Understand the importance of PMI’s Cost Management Planning in the real-world Project Environment.
- ◆ Understand the Project Manager’s responsibility to accurately estimate project costs.
- ◆ Communicate the Project Costs to Management and Sponsors for successful project completion.
- ◆ Understand and use the various Earned Value Management techniques for communicating Project progress.
- ◆ Understand and use the various forecasting tools.
- ◆ Deliver the proper Performance Data in an effective and timely manner.
- ◆ Understand the Importance of “Lessons Learned” Documentation and Project Management Plan updates.

Instructional methods for this five hour module are lecture, discussion, exercises, simulations, role plays and workshops. Reference to and inclusion of the PMI® PMBOK are certainly included and applied to real-world situations. Session also has participant discussions and feedback of on-going project situations.



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### Course Outline

#### **I. Introduction and Course Objectives**

- A. PMI® as a Resource
- B. The “Reality Check”

#### **II. Estimate Costs**

- A. Inputs
  - 1. Scope Baseline
  - 2. Project Schedule
  - 3. Human Resource Plan
  - 4. Risk Register
  - 5. Enterprise Environmental Factors
  - 6. Organizational Process Assets
- B. Estimating Tools and Techniques
  - 1. Expert Judgment
  - 2. Analogous Estimating
  - 3. Parametric Estimating
  - 4. Bottom Up Estimating
  - 5. Three Point Estimates
  - 6. Reserve Analysis
  - 7. Cost of Quality
  - 8. Project Management Estimating Software
  - 9. Vendor Bid Analysis
- C. Outputs
  - 1. Activity Cost Estimates
  - 2. Basis of Estimates
  - 3. Project Document Updates

#### **III. Determine Budget**

- A. Cost Aggregation
- B. Reserve Analysis
- C. Expert Judgment
- D. Historical Relationships
- E. Funding Limit Reconciliation
- F. Cost Performance Baseline
- G. Project Funding Requirements
- H. Project Document Updates



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#### IV. Control Costs

- A. Work Performance Information
- B. Earned Value Management
  - 1. Planned Value
  - 2. Earned Value
  - 3. Actual Cost
  - 4. Schedule Variance
  - 5. Cost Variance
  - 6. Schedule Performance Index
  - 7. Cost Performance Index
- C. Forecasting
  - 1. EAC
  - 2. BAC
  - 3. ETC
- D. To-Complete Performance Index
- E. Performance Reviews
- F. Variance Analysis
- G. Project Management Software
- H. Work Performance Measurements
- I. Budgeted Forecasts
- J. Updates

#### V. Conclusion and Critique

- A. Review Major Topics/Issues
- B. Upon Request, Additional:
  - 1. PMP Examination Preparation
  - 2. Specific PMBOK Issues
  - 3. Sample Questions and Answers
- C. Participants Critique Class

