

Course Description



Course Title

Project Cost Control

Overview

Projects can be complex undertakings, and at times seem to be ever changing. In this high pressure, dynamic environment, it's easy to lose control of your project's costs and end up over budget. This course will give you the knowledge to enable you to control your costs better, and to help your project stay on track. Whether you are a project manager or project cost engineer, it's vital that you keep your skills and expertise current and stay in control of your project costs.

What You Will Learn from This Course:

- How to plan your project costs
- Appraising project investment
- How to construct and evaluate a project budget
- The basics of Earned Value Management
- Cash flow modelling
- Evaluation of new prospects
- Assessment of risk exposure
- Cost control reporting
- Performance measurement and management
- You will also learn the basic concepts of project management, including:
 - Projects, their lifecycle and the context in which they operate
 - Project benefits management
 - Project scope fundamentals
 - Resourcing basics
 - Fundamentals of change control
 - Project risk fundamentals
 - Leadership and teamwork
 - Communications, negotiation and conflict
 - Recovery concepts

Why Should You Attend this Course?

All too often, project costs end up different to how we expect, most often turning out greater than planned. Sometimes this is because we fail to plan them properly, but often it is because we fail to control them well enough. Many things come to bear on cost control, over and above the simple monitoring of transactions, and this includes interface to project risk, progress, change, resources and performance. And planning and budgeting is also influenced by many factors, including ability to estimate, the value of the investment needed and the sequence and timing of spend. Controlling cost is more than just capturing expenditure and forecasting final out turn.

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In this course, we will learn how to plan properly and realistically for an upcoming project. This includes the extent, type and timing of spend, the risk associated with cost and also the relationship between progress and expenditure. We will gain the skills to determine how much a project will return for the investment made and compare one project against another to see which is the better bet. We will look at techniques to control cost and how to make accurate forecasts of future and total cost, as well as reporting progress in a meaningful fashion.

Of course, cost management staff also need to interface effectively with everyone else in the project team and beyond. We will therefore learn how to communicate, lead and negotiate so that our work has maximum impact.

We will also look at how we might recover a project that is failing, with a particular emphasis on how we recover any cost overrun.

Not only will project cost and controls staff benefit from this course, but other related disciplines, such as project management personnel will gain a deeper understanding of all that is involved in cost management, thus helping them to perform better in their own role.

The course is full of practical techniques and examples, with the intention of turning knowledge into practical benefit and the worked examples, case studies and exercises are intended to make applying the knowledge gained much easier.

Finally, the instructor will include opportunities to discuss the real-world problems and issues and questions that are affecting delegates in their own projects and working lives, so that improvements and solutions can be implemented as soon as delegates return to their desks. Often, helpful advice can be gained from the experience of other delegates, and the course setting provides opportunities to do this.

Who Should Attend This Course?

- Project Managers
- Project Controls Team Members
- Project Management Office Staff
- Project Team Members
- Cost Managers
- Project Sponsors
- Project Consultants
- Assurance, quality and governance team members
- Project Engineers

Outcome of this Course

By the end of this intensive 5-day course, attendees will be able to:

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- Evaluate a proposed project from a cost perspective
- Make a detailed evaluation of a project's returns
- Plan project costs appropriately
- Construct a project budget and evaluate it for suitability
- Model and control your project cash flow
- Assess the cost risk exposure of the project
- Assess the true status of the project's progress using earned value management
- Choose the most appropriate cost reporting methods
- Measure and manage project cost performance
- Learn the various cost control techniques available to you
- Describe and appreciate key project management techniques and terminology

Course Length

5 days

Course Content

An interactive mix of lecture, case studies, group discussion and activities will be used to illustrate and apply the methods, tools and techniques needed to manage project cost. The following topics will be covered:

Introduction to project management and its operating environment

- Definition of a project, also contrasted with definitions of a programme and a portfolio
- Definition, purpose and benefits of project management
- Difference between a project and business as usual
- Introduction to project risk
- Introduction to project benefits

Project life cycle

- Definition and phases
- Reasons for phase structure
- Extended lifecycle
- Handover and closeout stages

Management structures for projects

- Project roles and responsibilities, including: project manager, project sponsor, project team, project steering board, project management office, project end user

Cost planning

- Introduction to the business case
- Introduction to the project management plan
- Key performance indicators

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- Estimating
- Scope management
- Product breakdown structure (PBS) and work breakdown structure (WBS)
- Introduction to project reporting
- Resource planning
- Project budget construction
- Project budget evaluation
- Risk costing
- Investment appraisal

Cost management

- Cost tracking, reporting and control
- Cost forecasting
- Controlling change
- Earned value management

Benefits and extended lifecycle costs

- Benefits management – introduction and purpose
- Benefits management – cost considerations
- Value management – introduction

Project closedown

- Closedown phase expenditure
- Decommissioning considerations
- Asset disposal

Conflict and negotiation

- Conflict management
- Negotiation skills

Communication

- Definition and methods of communication
- Barriers to communication
- Effective communication

Leadership and teamwork

- Definition of a leader and a team
- Role of a team and models of teamwork

Recovery

- Some signs of project failure
- Recovery principles

Case Studies

- Presentation of real-life examples and case studies of cost control used in a variety of projects

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Practical Exercises

- Worked examples, where delegates participate in groups or teams to manage cost in fictitious but realistic project settings.

Summary And Next Steps

- Summary
- Things you can do next
- Reference Material