Week 4: Cost Management Discussion

The topic below pertains to the materials covered in the weekly lesson. In addition to a text description, you may add a screen capture, a matrix, or other creative image that supports your ideas.

You are to submit three quality posts over 3 different days, with the first post on or before Wednesday for each graded discussion topic. Use references from your textbooks.

After reading Chapter 7: Project Cost Management in the textbook *Information Technology Project Management* (2019) by Kathy Schwalbe, review the various types of project cost estimating methods.

- Discuss the project cost estimating methods and state how they work. Be sure to note when you would use them on a project.
- Also, think about your team Course Project. What kind of allocation method would you use on your project?
- Does the software methodology have any impact to the cost allocation method? Why or why not?

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Course: May 24 at 10:35am

irectly might also be risky, since any problems come up in the future may create some dispute among you and the task ma

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Collapse SubdiscussionDavaun Aquart

Davaun Aquart

May 30, 2021Local: May 30 at 6:57pm
Course: May 30 at 8:57pm

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Professor,

There is an unobtrusive pack of various strategies to surveying project costs. One model is top-down or essentially identical to surveying, which uses data from past and similar dares to assess likely costs. In the Estimate Activity Resources, we go through Bottom Estimating. In the Estimate Activity Durations, we use only Analogous Estimating. In the Estimate Costs, we use both Bottom-up and Analogous Estimating. With Bottom-up being more precise, for what reason would it not be considered in every one of the cycles?

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Collapse SubdiscussionGibbon Richards

Gibbon Richards

May 24, 2021Local: May 24 at 9:51pm
Course: May 24 at 11:51pm Manage Discussion Entry

Several cost estimating methods can be applied to predict how much it will cost to perform the project activities. The choice for the estimation method depends on the level of information available. Analogous estimating using the actual cost of previous, similar projects can serve as a basis for estimating the current project. Another option is to use parametric models in which the project characteristics are mathematically represented. Estimates can be refined when more information becomes available during the course of a project. Eventually this results in a detailed unit cost estimate with a high accuracy. Remaining uncertainties in estimates that will likely result in additional cost can be covered by reserving cost (e.g. using escalation and contingencies). The performance of the project, and the project manager needs to be measured. If there is no baseline or benchmark, then there is no way to know if the project manager did a good job or not? We need to have a clear target or goal to achieve, so that we can compare it with the actuals, and see where we are, and how much more to go. Each of the triple constraints (time, cost, scope) have a baseline, which is established as part of the overall project management plan. This is done during the planning process, and records what the project had planned, scheduled, budgeted for, in terms of the schedule, scope and cost. It should contain everything that the customer needs, as per the agreed scope. These three baselines put together are called the Performance Measurement Baseline (Prakash, 2019).

Loan, Lucian. (October 10, 2012). Rational Plan. Creating budget or cost baselines for projects.
Retrieved February 7, 2019 from https://www.rationalplan.com/projectmanagementblog/creating-budget-or-cost-baselines-forprojects/

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Collapse SubdiscussionEmre Ozmen

Emre Ozmen

May 25, 2021Local: May 25 at 6:04am
Course: May 25 at 8:04am

Manage Discussion Entry

Thank you Gibbon. For the performance of project, EVM would fit the bill though. For project manager's performance, strategy and leadership performance are also important, remember the PMI"s triangle on project manager's role. For the organization PM performance, maturity models are being frequently using.

Reply Reply to Comment

Collapse SubdiscussionGibbon Richards

Gibbon Richards

May 25, 2021Local: May 25 at 8:16pm
Course: May 25 at 10:16pm

Manage Discussion Entry

Professor and Class,

If the industry trends continue in the same direction they are going in, the future of scheduling will inevitably force practitioners to cultivate their skills and competencies through multiple sources, such as PMI certifications (e.g., PMP, PMI-SP) and technological certifications. As business needs continue to grow in complexity, the tools with which