Course Title

Project Cost and Risk Management - Online

Overview

Cost management is critical to delivering successful projects. We want our projects to come in on budget and to meet their cost targets. But often, cost seems to run out of control, or things happen on the project that mean existing funds are no longer enough. This course will help you to set the correct budget, to control project expenditure effectively, and to plan realistically for risks and uncertainties that arise.

Adopting an integrated approach to cost and risk management, course delegates will increase their confidence that they will deliver on project cost promises, thus making project success more likely.

What You Will Learn from This Course:

- Why project cost management is critical
- How cost management fits into project management
- How to evaluate a project's business case from a cost viewpoint
- How to estimate project cost effectively
- How to allocate appropriate contingency for risk
- How to control project cost
- How to manage project risk allocation in real time
- How to forecast costs reliably, including final cost
- Techniques for communicating and reporting
- How to integrate cost and risk management
- How cost and risk fit into integrated project controls
- How to assure project cost management
- How cost and risk management work for agile projects

Why Should You Attend this Course?

All too often, project costs end up differently from expectation, mostly turning out greater than planned. Sometimes this is because we fail to budget properly, but it can also be because we fail to control costs effectively. Many things affect cost control, including project risk, progress, change, resource, and performance. Estimating and budgeting are also influenced by many factors, including the approach and methods used, the risk and contingency allocation and the assurance applied.

In this course, we will learn how to estimate professionally and realistically for an upcoming project, including accounting for the risk and uncertainty that is always present. We will look at techniques to control cost, to manage risk and contingency in real time, and how to make accurate forecasts of future and total cost. We will

examine how to report progress and communicate cost information in a meaningful fashion and how to assure our cost management process.

Finally, we will look at some related topics, such as cost management in agile projects.

Not only will project cost management staff benefit from this course, but other related disciplines, including project controls and 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 4-day course, attendees will be able to:

- Understand the importance of good project cost management
- Operate an effective cost management process
- Say how cost management fits into project management
- Estimate project costs comprehensively
- Forecast project costs, including final cost, at all points in the project
- Understand how to cater for project risk and uncertainty in estimates
- Identify cost deviations and appropriate corrective actions
- Apply contingency expenditure
- Report and communicate fully and clearly
- Understand a project's business and investment case
- Understand how to assure a project's cost management activities
- Describe cost and risk management for agile projects

Course Length

4 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 integrate project cost and risk management. The following topics will be covered:

Section 1 – Introduction to project cost and risk management

- Why project cost management?
- Project cost management defined
- Project risk management defined
- Integrating cost and risk management – an overview
- Integrated project controls
- Fit to project management lifecycle

Section 2 – Cost management

- Investment appraisal and business case evaluation
- Project cost estimating
- Project budgeting
- Baselining
- Project cost control
- Earned value management
- Forecasting, reporting and communications

Section 3 – Risk management

- Project risk management explained
- Benefits and barriers
- Risk management process
- Risk management tools, both qualitative and quantitative
- Human factors in risk management

Section 4 – Integrating project cost and risk management

- Including risk in the cost estimating process
- Including risk in the cost control process, including integration with EVM
- Common sources of project cost risk
- Common methods of handling risk and contingency allocation

Section 5 – Related Topics

- Assurance of cost and risk management
- Cost management in agile projects
- Risk management in agile projects

Case Studies

- Presentation of real-life examples and case studies of cost and risk management in a variety of projects

Practical Exercises

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

Summary and Next Steps

- Summary
- Things you can do next
- Reference Material