PDHonline Course P104 (8 PDH)

Project Cost Management

Instructor: William J. Scott, P.E.

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PDH Online | PDH Center

5272 Meadow Estates Drive
Fairfax, VA 22030-6658
Phone: 703-988-0088
www.PDHonline.com

Module #6

Summary / Wrap-up

Before we close, let's review a few important points:

1. Executing a project is like running a business. Customer satisfaction is of paramount importance. But at the end of the day, the question asked is, "Are we making any money?"
2. Realization of profits is why we have companies and why we manage projects.
3. Understanding your company's financials is more than just a good idea; it's a necessity.
4. Cash Flow: Positive cash flow provides a future for your company and for you. Negative cash flow is not an option.
5. Project cost management starts in the project-planning phase – *before*, not after the actual project work gets underway.
6. Cost control = monitoring + analysis + taking appropriate corrective actions.
    a. Monitoring – tells us the project is going somewhere.
    b. Analysis (EVA) – tells us where the project is going.
    c. Corrective Action – ensures the project goes where we want it to go.
7. Manage the Big Three to achieve successful project execution:
    a. Quality – The cost of rework is a loss of profit.
    b. Schedule – Schedule acceleration and recovery are both expensive.
    c. Cost – Proper management of Quality and Schedule make Cost easy.
8. Project financial reporting is the connection between individual projects and the company's business.