

ACS 567 - Software Project Management

Spring 2009 - Kalyan Govindu

PMBOK Knowledge Area : Project Cost Management

Focus:

Focuses on the cost aspect of a project. How to approximate? From a purely software project point of view, estimating the resource costs, whether it is personnel or hardware time resource does not matter. They have to be taken into account and included in the PMP ultimately. Overlaps with risk area to identify the risks of a given project, because these risks might influence the cost of a project.

Major Steps:

As mentioned above, approximation of everything involved in the project to could effect the total cost baseline. The term iterations was defined in prior area papers and it can be considered as an aid to estimate the project in pieces and aggregate the code for the total. This not only makes it easier for the PM, but also shows all the stakeholders what the cost is for individual pieces of functionality. Since this is being done in the early stages, could change the scope of the project.

All the factors that influence the cost baseline, this step, once complete will require the stakeholder approval. Once the project is in progress, the costs can be monitored for a given iteration, which sheds light on the cost estimate of future iteration, giving the PM a chance to adjust accordingly.

Any scope creeping changes that appear, will be easy to identify from a cost point of view and implemented if required.

Experience:

In my experience cost estimation for a project is usually the most difficult part of the process. Unless a disciplined approach like RUP or any other project management process is followed, it becomes a lot of guess work to identify cost to a certain amount of accuracy. Obviously, cost is a very important element for the stakeholders in a project and to that end, there are several tools, both commercial and free that claim to do this for you. But the essence of the matter is that, if your requirements are complete and

you have estimated the iterations and task associated to a good degree, your project cost estimates will be more accurate.