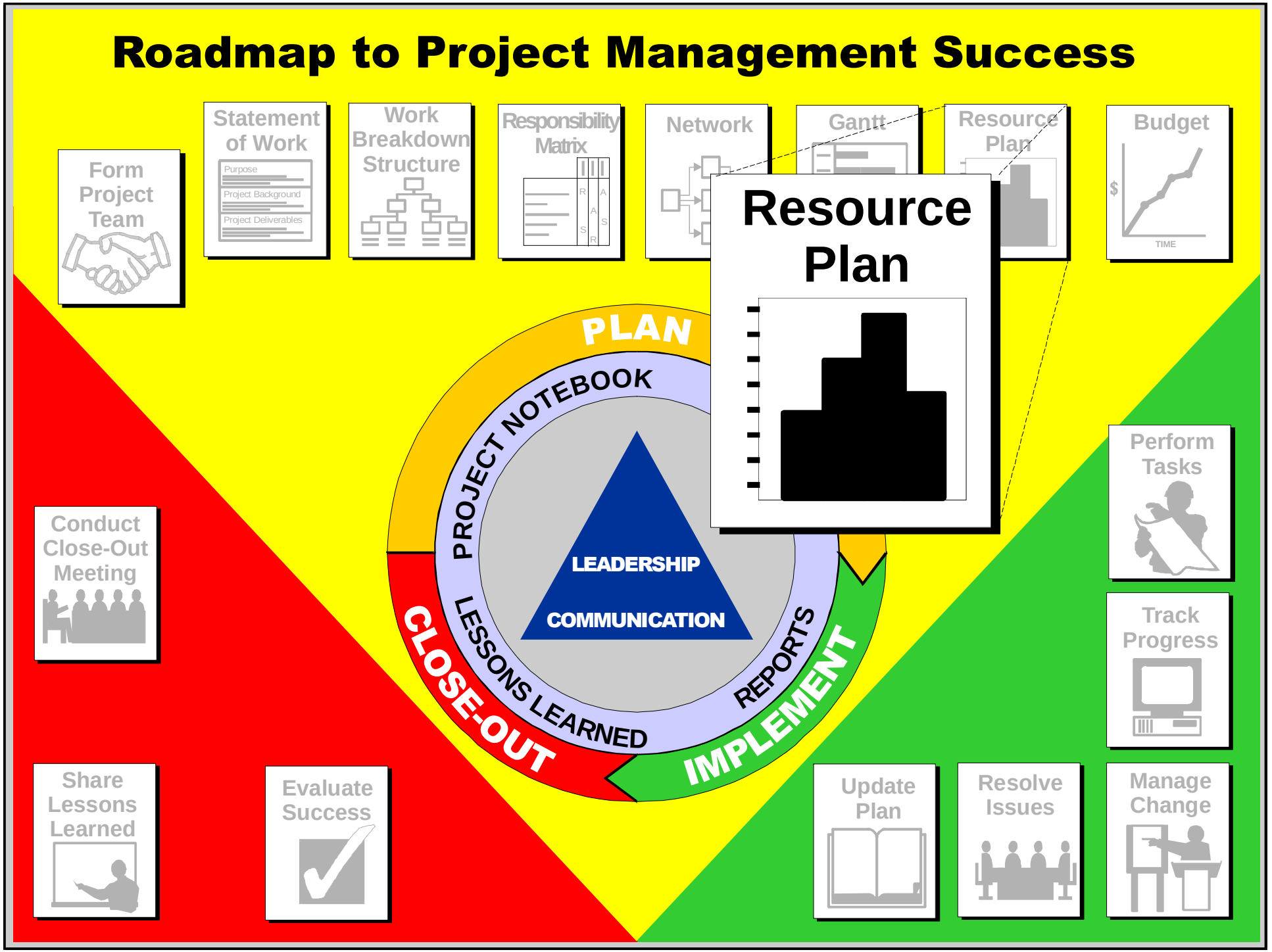
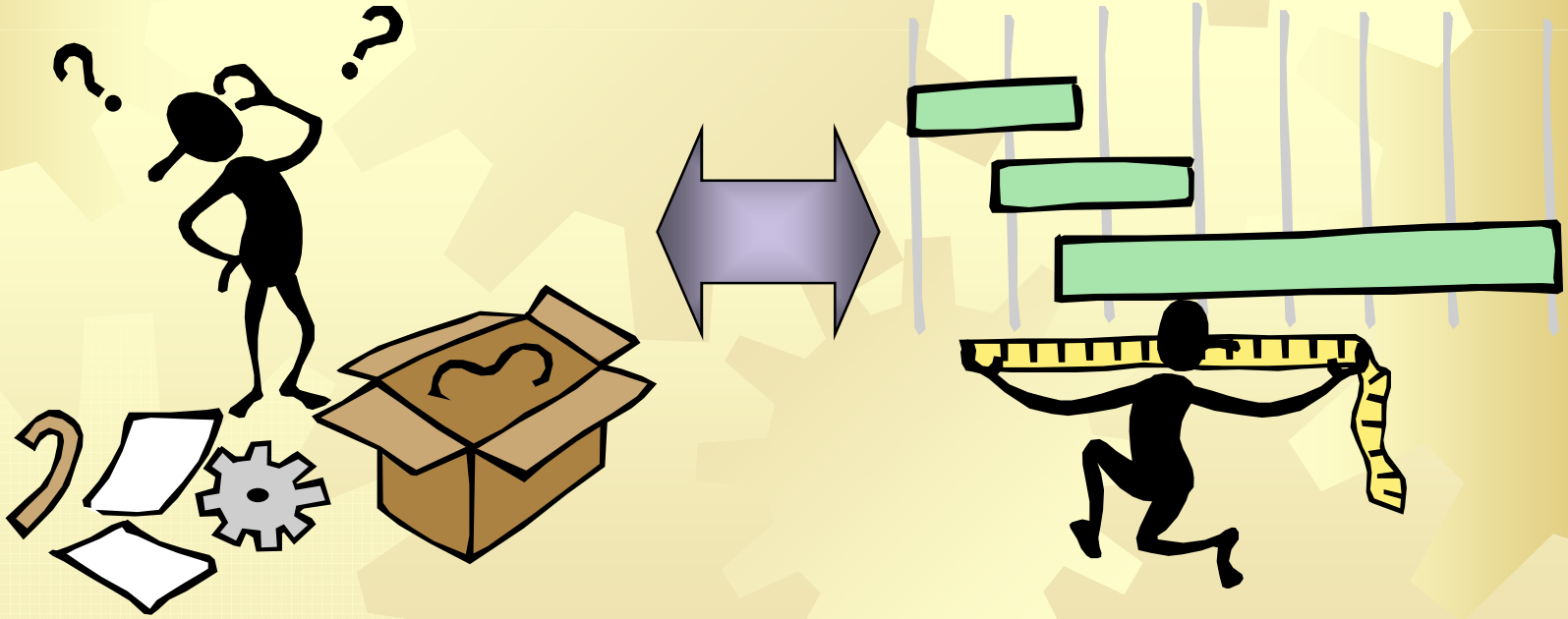
Roadmap to Project Management Success



Assigning Resources

A schedule is not complete until all the resources necessary to complete the project have been committed or assigned.



Break Timer

SkillRight

Factors to Consider

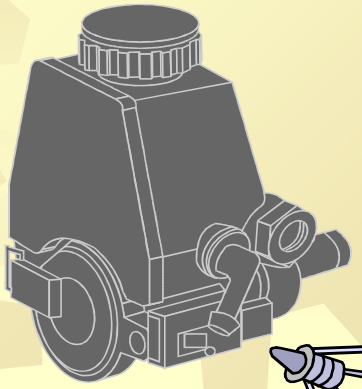
- Availability of other resources
- Depletion of available float time
- Impact on critical path
- Impact on budget

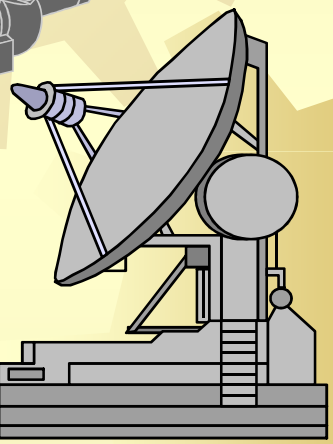
Break Timer

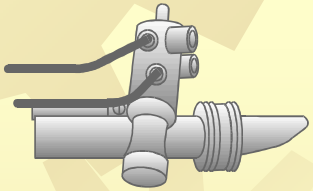
SkillRight

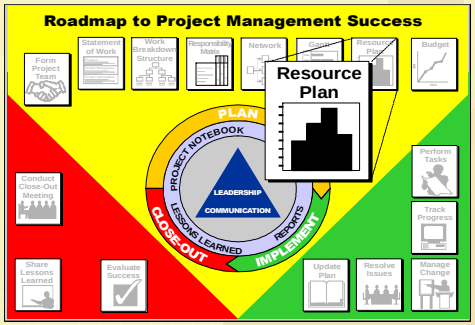
Non-Labor Resources

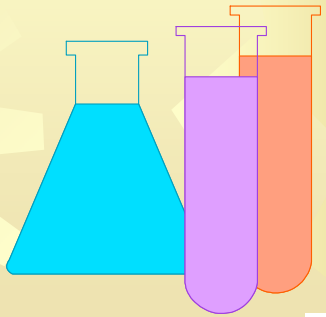
- Lab time
- Facilities
- Prototype parts/systems
- Equipment
- Materials







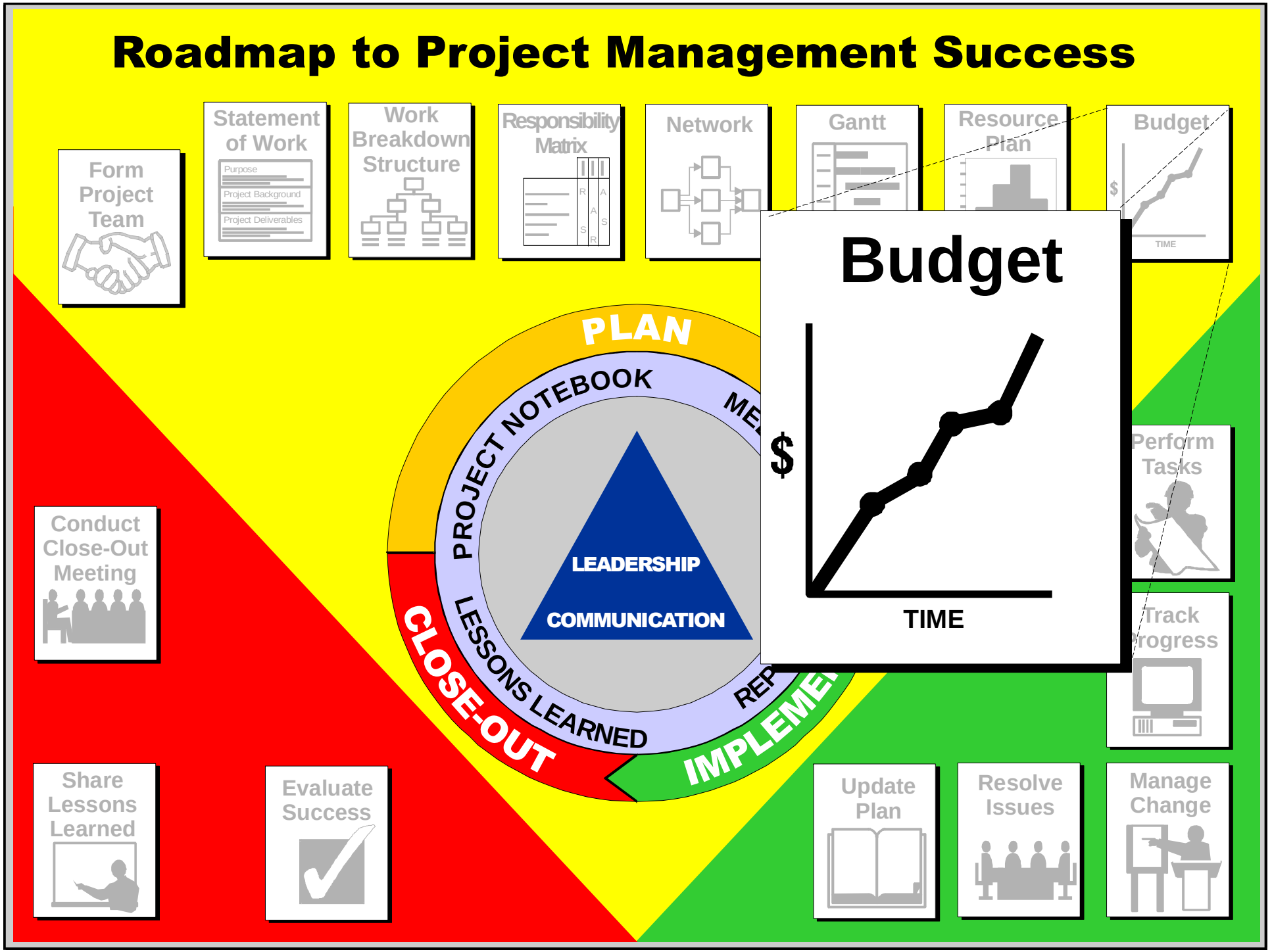




Break Timer

SkillRight

Roadmap to Project Management Success



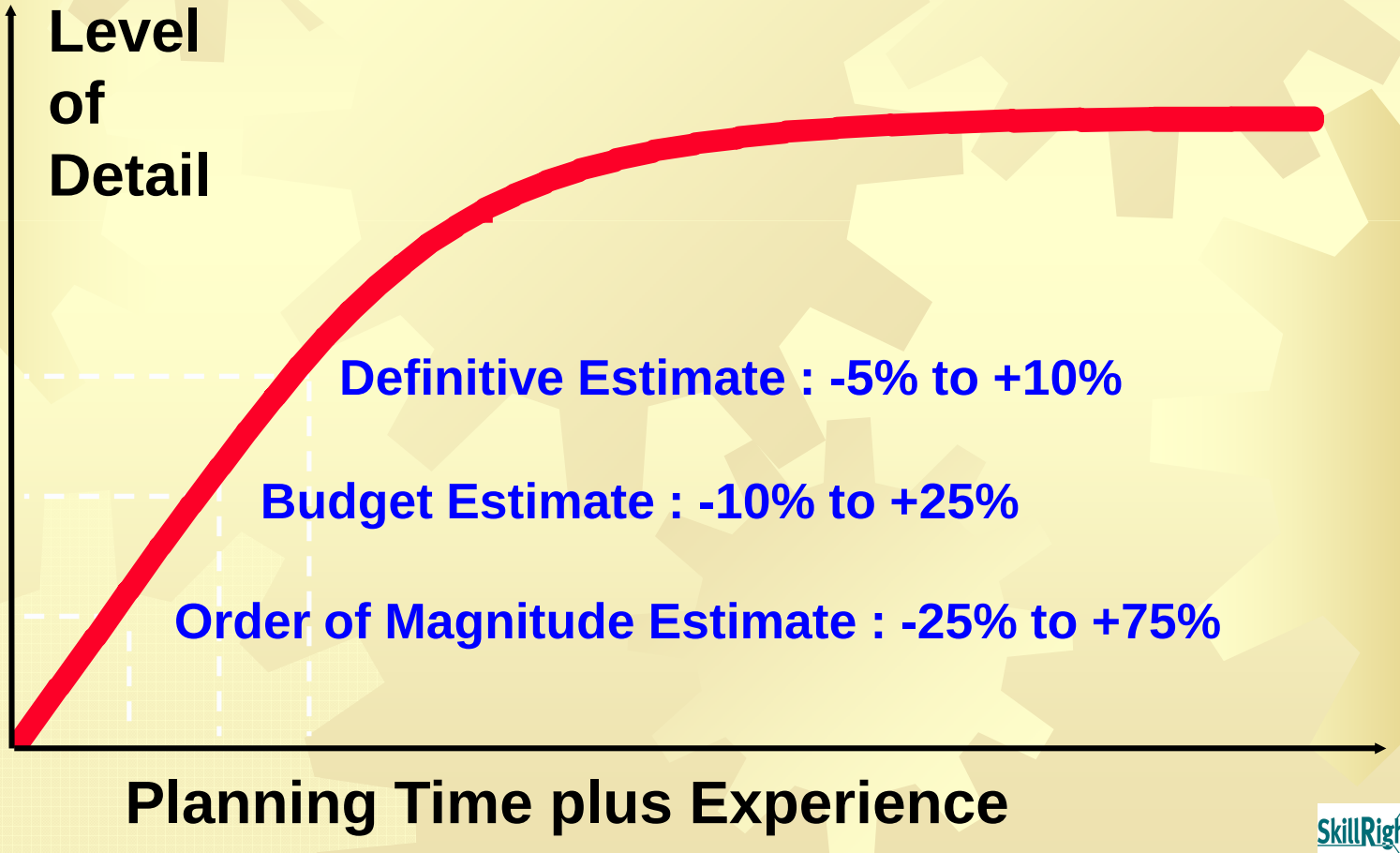
Cost Budgeting

- Cost Budgeting involves allocating overall cost estimates to individual work items in order to establish a cost baseline for measuring project performance. Using cost estimates, the WBS, the project schedule, and cost estimating tools, the project team develops a time-phased budget. This budget will be used to measure and monitor cost performance on the project."

Source: PMI

SkillRight

Budgeting Relationship



Break Timer

SkillRight

Types of Budget Estimates

- Order of Magnitude (Preliminary)
  - Supports decisions on project viability
  - Includes historical cost data
  - Actual cost within -25% to +75%
- Budget Estimate
  - Supports project planning decisions
  - Includes parametric modeling cost data
  - Actual cost within -10% to +25%
- Definitive
  - Supports project implementation
  - Includes cost data for each WBS activity
  - Actual cost within -5% to +10%

Break Timer

SkillRight

Obtaining Cost Data

- Experience from past projects
- Functional subject matter experts
- Lessons learned
- Vendor quotes or bids
- Catalogs
- Cost estimating guides
- Buyers

Break Timer

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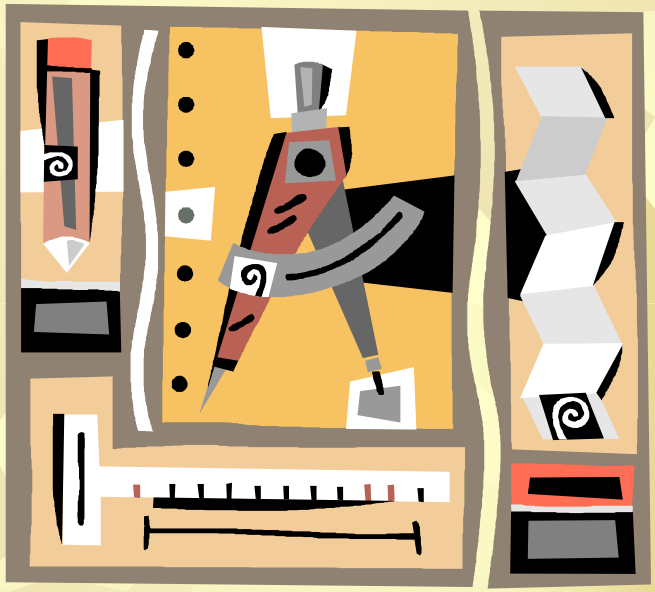
Major Cost Categories

- Capital Costs
  - Equipment
  - Facility Modifications
- Expenses
  - Labor costs
  - Material costs
  - Vendor/consultant costs



Break Timer

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Facilities Modification

- Line reconfiguration
- Alterations to existing building/structure
- New process flow
- Relocation of utility hook-ups

Other Cost Components

- Overhead
- Management or contingency reserve

Break Timer

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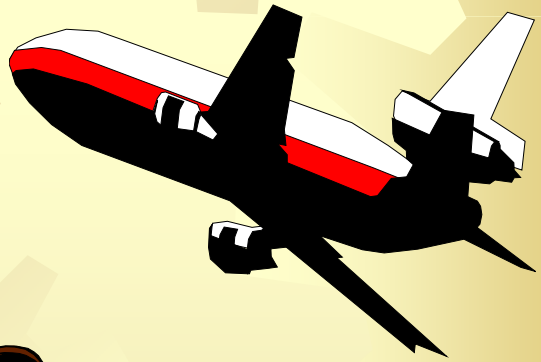
Project Overhead

- Equipment rental
- Travel
- Consultants
- Contract labor
- Facility support



Break Timer

SkillRight

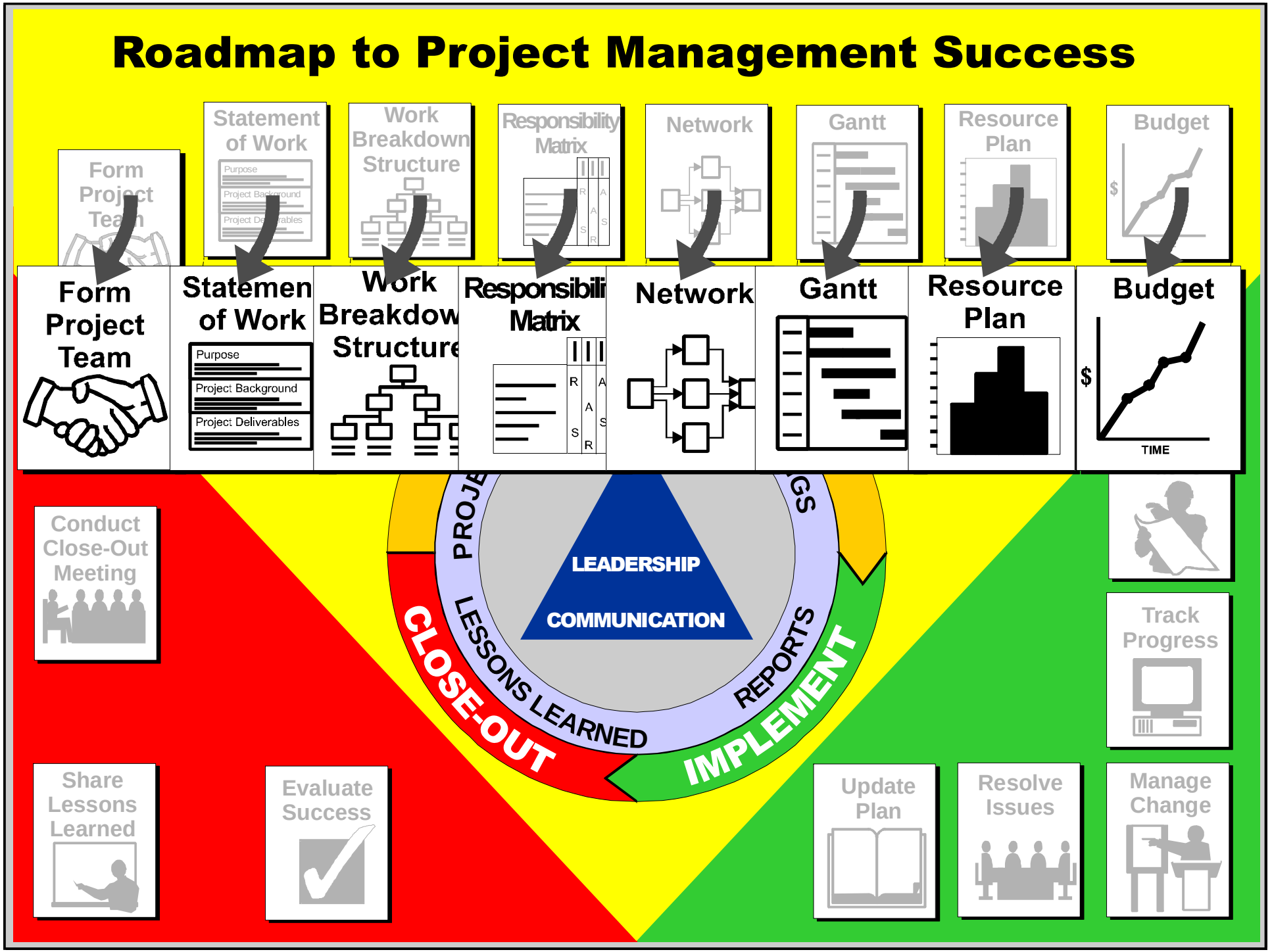
Contingency Reserve

- Weather delays
- Changes in design
- Unforeseen price increases
- Estimating errors
- Other project risks

Break Timer

SkillRight

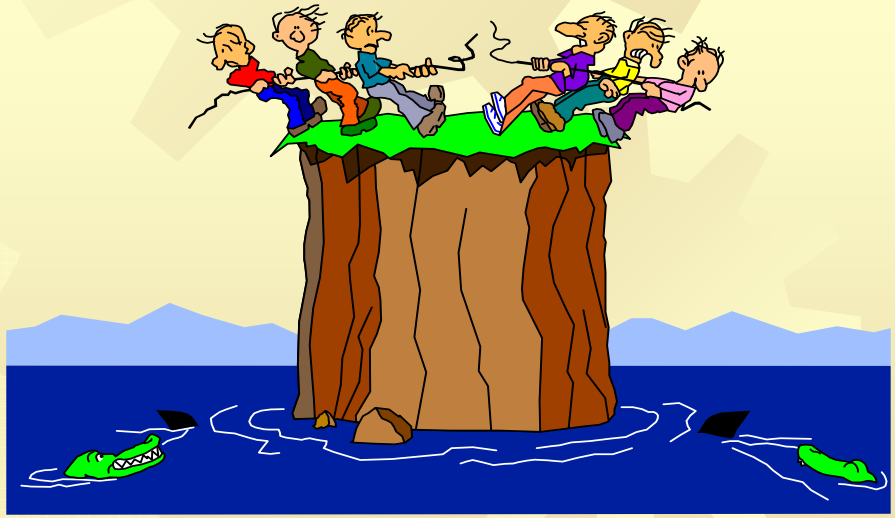
Roadmap to Project Management Success



What Is Risk?

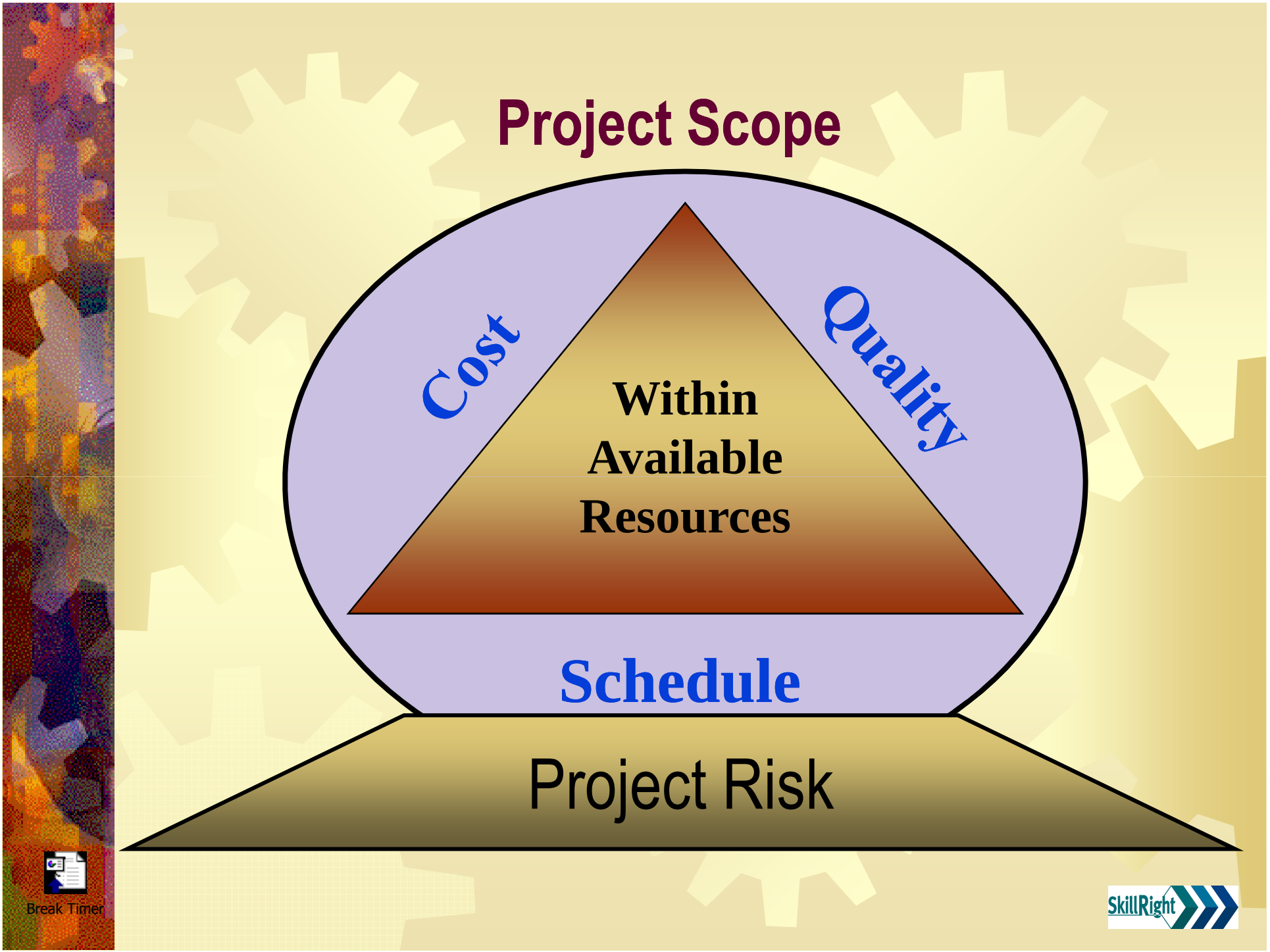
Risk can be defined as:

"Any threat to project success."



Break Timer

SkillRight

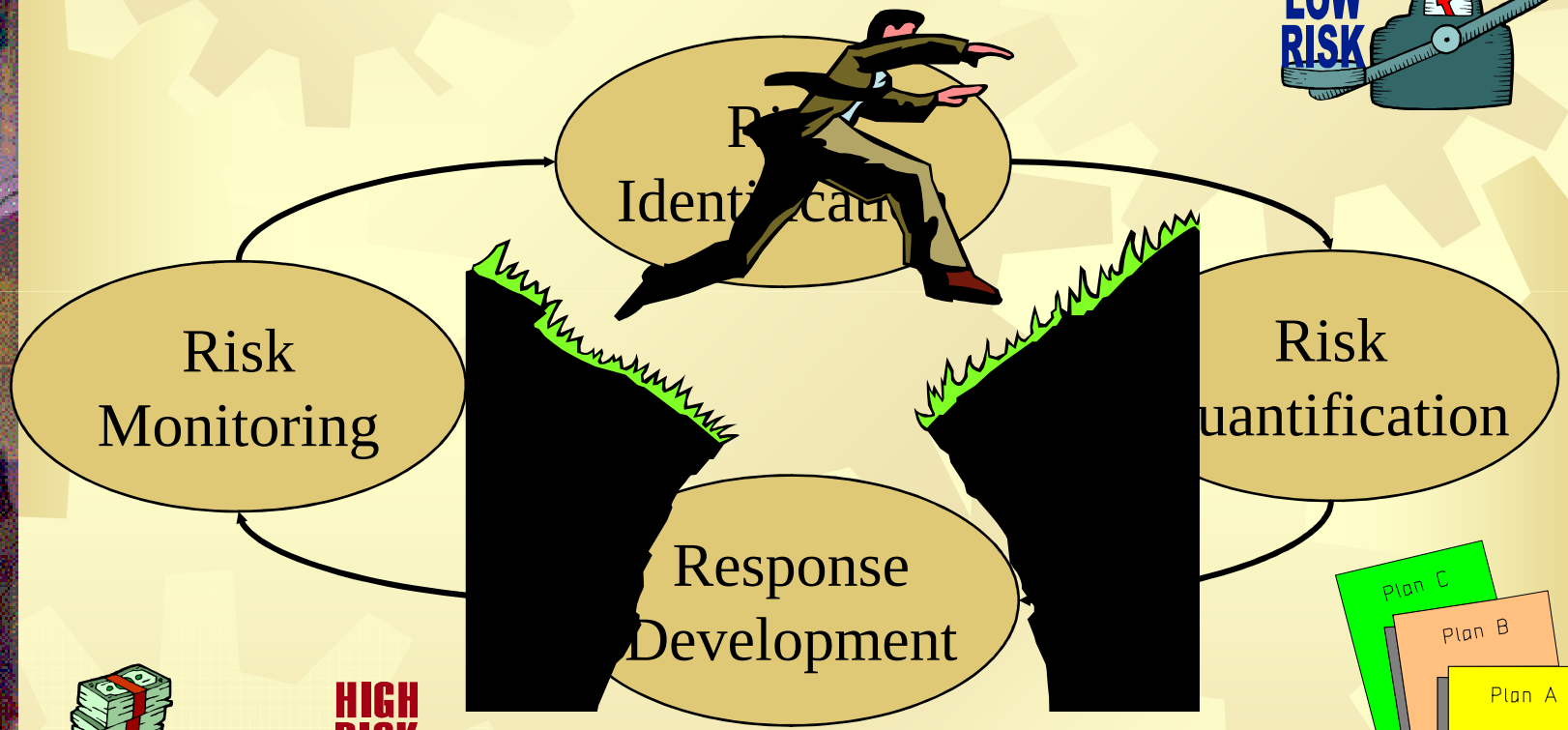

Project Scope
Cost
Quality
Within
Available
Resources
Schedule
Project Risk
Break Timer
SkillRight

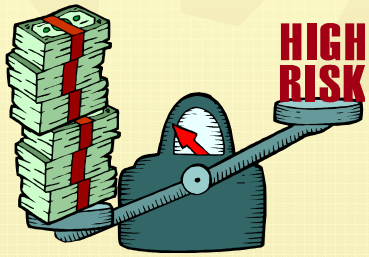
Risk Management

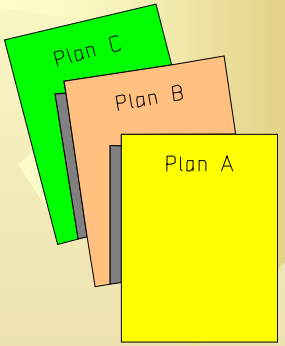
"Risk Management is the art and science of identifying, analyzing and responding to risk factors throughout the life of the project and in the best interests of its objectives."

Source: PMI

Risk Plan Development







Break Timer

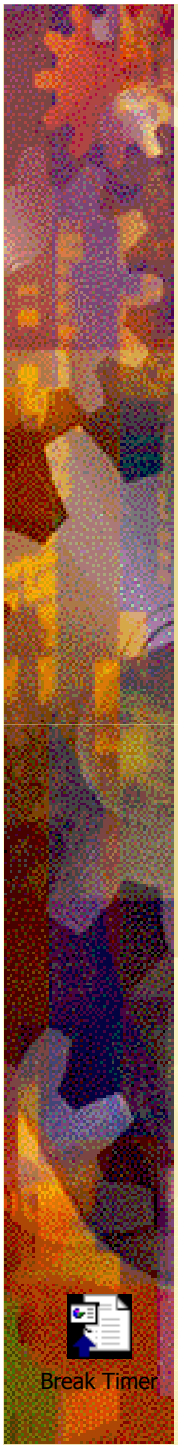
SkillRight

Risk Identification Methods

- Brainstorming
- Subject matter experts
- Historical data
- Lessons learned

Break Timer

SkillRight



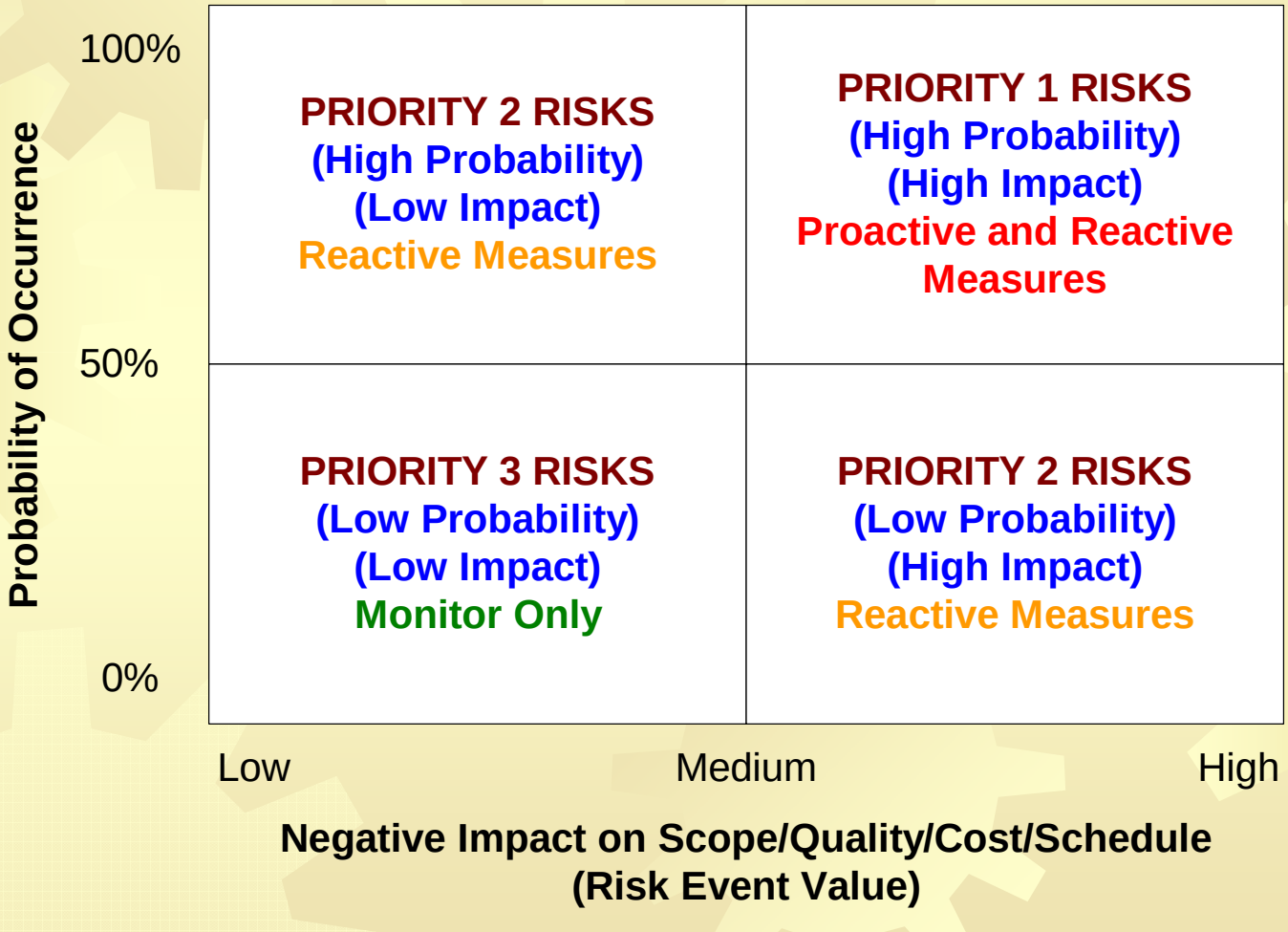
Common Sources of Risk

- Quality requirements
- Schedule constraints
- Cost limitations
- New technology
- Project complexity
- Third-party performance
- Contract terms (legal)

Break Timer

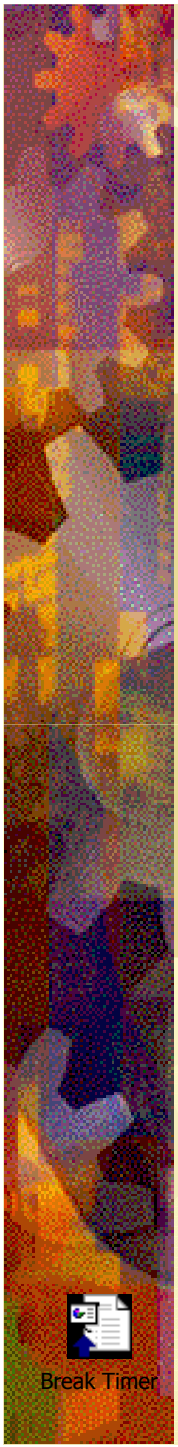
SkillRight

Prioritizing & Planning



Break Timer

SkillRight



Risk Worksheet

Project Manager: _____ **Date:** _____

Project Title: _____

Risk Description:

Risk Priority: 1 2 3 (Circle the Priority)

Probability %: **Risk Event Value (REV):**

Expected Monetary Value (EMV):

Impacts:

- ☐ Quality
- ☐ Schedule
- ☐ Cost
- ☐ Scope

Preventative Plan (Proactive Plan): (For Priority 1 Risks)

Contingency Plan (Reactive Plan): (For Priority 1 and 2 Risks)

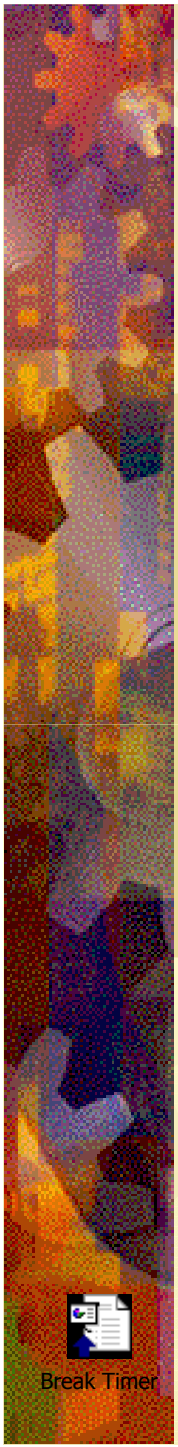
Date of Last Review: _____ **Date of Last Review:** _____

Break Timer

SkillRight

Team Activity — Risk Management

- ***Time:*** 15 Minutes
- ***Instruction:***
  1) Identify at least one priority 1 or 2 risk for your team project.
  2) Complete a risk worksheet for the risk identified.
  3) Use the blank template following this page.



Section 3.0

End of Planning Phase

Break Timer