

Messenger

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Tips for Keeping Your Project Under Budget

Two of the most important rules of a project are making sure it stays on time and on budget. Breaking either of these rules will cost you time, money, and you'll probably have to deal with some unhappy people. Added to all the challenges a project manager must face during a project, working within a budget that he or she didn't even help create can cause a lot of headaches. This month we're going to look at five tips to aid you in preventing going over budget in these instances.

Tip 1: Revise the Budget

One of the first tasks you should accomplish is to thoroughly review the given budget. Think through every aspect of the project and determine whether you feel the budget will fulfill the necessary requirements. Is there enough contingency built in? Does it take into account all aspects of the project? Size? Complexity? Risk?



If the answer to any of these questions is NO, immediately go to your supervisor and raise your concerns. However, don't go in without doing your research. Explain in detail why

you don't feel the current budget is sufficient and give your own numbers. You'll be more likely to influence a change if you are able to back up your proposed budget with documentation from similar past projects. While you might not get the

budget changed, you'll at least have brought up your concerns at the beginning.

Tip 2: Create a Financial Plan

Once you have the final budget, either the original or revised, create a project plan. Go through each and every task of the project and determine how much each is going to cost. Does that fit into the given budget? If not, you will have some adjustments to make.

Tip 3: Baseline the Plan

After the financial plan has been set, baseline it. Keep a copy of the plan so that any given day during the project you can compare the actual expenses to the initial plan.

Tip 4: Track Progress Frequently

It is important to frequently calculate the total actual cost of the project to the budget. Before the project begins, determine with your supervisor how often this should be done. Some projects require daily progress reporting while others weekly or biweekly. Don't let too much time

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***Do what you can, with what you have,
where you are.***

***Theodore Roosevelt (1858-1919)
26th US President***

The Mathis Group's Messenger

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pass, however, or you may not notice a variance in enough time to make changes before it's too late.

Project management software can help you keep track of expenses. By inputting your expenses, you can easily see whether your project is under or over budget at any time.

Tip 5: Get Serious

As you're tracking the project's progress, what do you do if you find that the project is constantly going over budget? If this continues to happen for a few weeks, changes need to be made immediately. You can't just hope that it will improve; and the sooner you can take action the better. The first thing you should do is take all your numbers to your boss. Show him or her the areas which are going over budget.



You may need to ask for a larger budget (again, do this providing complete research). If this isn't possible, you need to discuss whether reducing the project's scope is feasible. It may come down to doing your best to trim back expenses and learning to do more with less.

A project manager's job is never easy. There are times when situations arise that don't have an easy fix. The project budget is often one of those situations. Doing your best to regularly track the progress of your expenses compared to your budget will give you a larger cushion of time to make changes before things get out of hand.



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The Mathis Group, Inc

Dr. Keith Mathis

106 Lakeview Woods

Eureka, MO 63025

800-224-3731

636/938-5292 voice/fax

keith@themathisgroup.com

www.themathisgroup.com

www.pmexpertlive.com

www.trainthegov.com

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