

# Guide To PM City

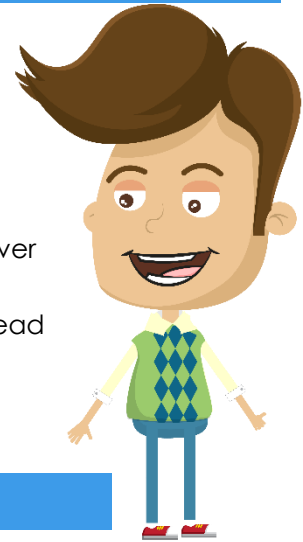
Cost Management Neighborhood

Your assistant on your journey to becoming a PMP

## WELCOME TO PM CITY

Congratulations for embarking on the amazing and challenging journey to PM City. You are in good hands. The Crowd Training has designed and developed a course and a guide that aims to make your travels as productive and as effective as possible.

I am your Tour Guide, PM Guy. I will be with you throughout your journey. In some areas, you may see me. In most areas, you will hear my voice. If you ever need to reach me or have questions, use the comment box in the course module you are currently visiting. This way others with similar questions can read my response and enter their own thoughts and comments.



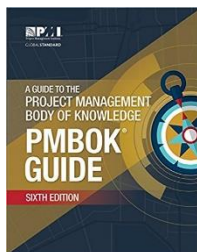
## USING THE GUIDE

Use this guide to enhance your learning experience and rate of success.

Neuropsychological research has shown that the act of writing something down as you are taking in new content helps build lasting connections in your brain. When you only listening passively, you engage with the content in the parts of your brain responsible for listening and auditory sensing. By writing things down, you engage more parts of your brain. Add the act of interacting with The Crowd Training content, you build more connections and involve more learning styles. And if you think about your learning and make connections to your work experience and what your project management work may look like in some other industry or company, then you are making even more connections – that's referred to as metacognition.

Make the learning stick. Use this guide as you progress. Make it your own. The resource is for you. Highlight. Draw pictures. Write as much or as little as you want. Whatever works for you. Space is designated for each knowledge area, process, input, tool and technique, output, and extensions.

The guide is arranged to correspond to the content in the module. You may go in any order. You are not required to follow the course as it is laid out here in the guide.



The guide aligns with the Guide to the Project Management Body of Knowledge (PMBOK®) 6<sup>th</sup> edition. It is highly recommended that you possess a copy of the PMBoK® 6<sup>th</sup> edition – either in digital form or print. If you join PMI as a member, you receive a PDF digital copy that you may print out. Although, at over 750 pages, that is a lot to print. You can purchase a hard copy for around \$50 - \$80. Or you can elect to reference only the PDF version.

If you have suggestions on how The Crowd Training can make this guide even better, don't hesitate to tell us. Email us at [surfer@mycrowdtraining.com](mailto:surfer@mycrowdtraining.com)

## COST MANAGEMENT



Project Cost Management is all about the money – or at least the concept of money is one form or another. Projects may equate expenditures differently. Some equate expense to the amount of worker hours spent. Others may tally and manage the about of resource use or some limited quantity. Others may look at only the finances spent in a traditional dollar amount sense. In any case, you as a project manager are responsible for overseeing the expenditures of the project. Making certain you are not spending more than commission. Keeping tabs on what has been spent, how it is spent, what may be spent next, and what to do in case the expenses get out of control, and many many other similar concerns. Even if your project does not has a designated budget, you are still responsible on maintaining and controlling the costs of the project.

- About Cost Management knowledge area
  - Tailoring considerations
  - Trends

## PLAN COST MANAGEMENT



- About the process
- Inputs
  - Project management plan
  - Project charter



- Enterprise environmental factors
- Organizational process assets



Tools

- Expert judgment
- Data analysis
- Meetings



Outputs

- Cost management plan



Agile considerations

Additional notes

## ESTIMATE COSTS

About the process



Inputs



- Project management plan
- Project documents
- Enterprise environmental factors
- Organizational process assets



□ Tools

- Expert judgment
- Analogous estimating
- Parametric estimating
- Bottom-up estimating
- Three-point estimating
- Data analysis
- Project management information system (PMIS)



- Decision making



Outputs

- Cost estimates
- Basis of estimates
- Project document updates



Agile considerations

Additional notes

## DETERMINE BUDGET

About the process



Inputs

- Project management plan
- Project documents
- Organizational process assets



- Business documents
- Agreements
- Enterprise environmental factors



□ Tools

- Cost aggregation
- Expert judgment
- Data analysis
- Historical information review
- Funding limit reconciliation
- Financing



□ Outputs

- Cost baseline



- Project funding requirements
- Project document updates



Agile considerations

Additional notes

## CONTROL COSTS

About the process



Inputs

- Project management plan
- Project documents
- Project funding requirements
- Work performance data
- Organizational process assets



Tools





- Expert judgment
- Data analysis – EVA
- Project management information system (PMIS)
- To-complete performance index



Outputs

- Cost forecasts
- Project document updates
- Project management plan updates
- Work performance information
- Change requests



Agile considerations

Additional notes