

Here are the ways that cost management plan can guarantee project success...

A cost management plan is a document that outlines the guidelines for planning, estimating, budgeting and controlling project costs.



It helps you to sit down and look at the project that you are about to execute.

You will consider whether you have what it takes to execute the project as well as understand its functional requirements.

You will be able to know how to source for the fund. You will understand how you can prioritize the requirements.

The cost management requirement describes how risk budgets, contingencies and management reserves will be communicated and accessed by project stakeholders.

Risk budget is a specific amount that you have set aside to deal with risks. It may surface while you are executing your project. This is always included as part of the cost of the project.

We also have a management reserve, which not part of a project. It can be made available to a Project manager to deal with any “unforeseen circumstances that may arise while executing the project.

Project Cost Management also provides the planning and structure necessary to control project costs. It keeps them within the budget limits.

The plan can be formal or informal, written or unwritten, detailed or brief, depending on the need of the project.

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