Software Project Management

Lecture 21

Cost Monitoring

Topics Covered

- Earned Value Analysis

- Prioritizing Monitoring

- Getting the Project back to the Target

- Change Control

Cost monitoring, Earned value analysis, prioritizing monitoring, getting the project back to the target, change control

Introduction to cost monitoring

- Expenditure monitoring is an important component of project control

- A project might be on time but only because more money has been spent on activities than originally budgeted

cost monitoring

- Cost chart is useful if we add project feature
- Computer based planning tool is used

Earned value analysis

- Based on assigning value to each task or work package

- The assigned value is original budgeted cost for the item & is known as budgeted cost of work schedule(BCWS)

- A task that is not started is assigned a value zero

- Earned value

Earned value analysis(Cont..)

Common methods in software projects are

- The 0/100 techniques

- The 50/50 techniques

- The milestones techniques

Earned value analysis(Cont..)

- The baseline budget

- Monitoring earned value

- Schedule variance

- Cost variance

- Performance ratio

Prioritizing monitoring

- Critical path activities
- Activities with no free float
- Activities with less than a specific float
- High risk activities
- Activities using critical resources

Getting the project back to the target

Two main strategies are

- Shorten the critical path

- Reconsider the precedence requirements

Change control

- Configuring librarians role

- Change control procedure

- Change in a scope of a system