



Get Over-Budget Projects Back on Track

A project can go over budget when project managers don't have enough visibility into project scope, project status and resource forecasts. If a project is over budget, or projected to be, there are a few simple steps you can take to get back on track and headed toward success. Visit www.bigtime.net for more resources or to schedule a demo to see how BigTime Software helps services teams manage projects, people and profits.

Assess the Budget

- Calculate actual budget spent to date: take each person's actual time worked to date and multiply those hours by the person's billable rate. Add up all the rates to get the actuals to date.
- Calculate estimate to complete: look at the amount of work left to complete on the project and using the same calculation as above, estimate each person's hours needed to complete the project multiplied by their billable rate.
- Add actuals to date and estimate to complete to get estimate at completion.
- Compare estimate at completion to the project budget to understand the extent of the overage.

Analyze Project Status

- Assess the current state of the project to isolate the reason for the overrun.
- Identify the critical success factors necessary to get the project back on track.
- Estimate the hours and budget required to implement the needed fixes.
- Look at the projected resource plan for remaining project deliverables.
- Identify any areas where priorities or resources can be shifted to address the problem(s) that caused the overrun.
- Consider options for preserving remaining budget (e.g. using less expensive resources to complete work, cutting some scope from the project, or even asking the customer for more money).

Get Going Again

- Rescope your project and/or resource requests to align new projections with budget.
- Communicate action plan to team, customer, and any other stakeholders (e.g. resource managers, accounting).
- Monitor and report on progress to ensure the project stays on track.
- If your systems allow, establish budget alerts to notify stakeholders in advance of further issues on this and every project.

