Checklist

# for the Creation of a Cost Plan

## 1. Project Requirements and Objectives

- [ ] **Define project objectives**

Define the project objectives and purpose and identify key deliverables and success factors.

- [ ] **Clarify Stakeholder expectations**

Clarify stakeholder requirements and expectations.

## 2. Scope and Resource Requirements

- [ ] **Create work packages and milestones**

Structure the project into work packages and define important milestones that indicate the project progress.

- [ ] **Determine resource requirements**

etermine the need for resources such as personnel, materials, equipment and external services for each work package.

- [ ] **Calculate personnel costs**

Estimate the required labor hours and personnel costs based on the requirements for each work package.

## 3. Cost Types

- [ ] **Record personnel costs**

Record all personnel costs associated with the project, including salaries, benefits and external labor force.

- [ ] **Calculate materials costs**

  List the expected costs for raw materials, production materials and consumables.

- [ ] **Take external services into account**

  Estimate the cost of external services and subcontractors supporting the project.

- [ ] **Plan appliance costs**

  Determine the costs for machines, equipment and technical resources.

- [ ] **Add administrative costs**

  Take into account general administrative costs such as rent, insurance and other operating expenses.

- [ ] **Calculate travel expenses**

  Estimate the cost of business trips, including transportation, accommodation and meals.

- [ ] **Include infrastructure costs**

  Plan the costs for IT, communication tools and office space.

- [ ] **Plan reserves for risks**

  Set aside a financial reserve for unforeseen costs and risks.

## 4. Cost Estimation

- [ ] **Choose methods for cost estimation**

  Choose suitable methods such as expert estimation, bottom-up or top-down estimation.

- [ ] **Use historical data**

  Use data from similar projects to validate the estimates.

- [ ] **Document assumptions**

  Document assumptions and influencing factors in order to make the cost estimate comprehensible.

## 5. Budgeting and Allocation of Funds

- [ ] **Create a budget plan**

  Develop a detailed budget plan that covers the entire project and allocates the funds to the various phases and work packages.

- [ ] **Define financial buffers**

  Plan flexible reserves (5-10% of the total budget) for unforeseen costs.

- [ ] **Allocate funds per phase and resource**

  Allocate the planned funds specifically to individual project phases and resource types in order to create transparency

## 6. Cost Control Mechanisms

- [ ] **Implement planned/actual comparisons**

  Carry out planned/actual comparisons for continuous cost control.

- [ ] **Set up milestone controls**

  Set milestones at which the costs are checked against the budget.

- [ ] **Define escalation procedure**

  Set threshold values for budget warnings and define measures in the event of budget overruns.

## 7. Risk Management

- [ ] **Identify risks related to costs**

  Identify potential risks related to costs such as price increases, delivery delays and staff shortages.

- [ ] **Define risk mitigation measures**

  Develop measures to minimize the identified risks, such as alternative suppliers or emergency resources.

- [ ] **Define buffer for risks**

  Set a buffer for risk costs based on the probability and potential size of the risks.

- [ ] **Continuous risk monitoring and management**

  Take proactive measures if necessary.

## 8. Reporting and Analysis Tools

- [ ] **Choose tools for budget monitoring**

  Choose suitable tools such as Excel or project management software that make budget tracking easier.

- [ ] **Define reporting intervals**

  Define how often reports are generated to keep everyone involved up to date on the cost status.

- [ ] **Set up real-time dashboard**

  If possible set up a dashboard for ongoing cost monitoring and budget control.

## 9. Responsibilites

- [ ] **Define roles for cost monitoring**

  Define clear roles in the team for monitoring and approving costs.

- [ ] **Appoint a budget manager**

  Appoint a central person who is responsible for approving and controlling expenditure.

- [ ] **Communicate budget guidelines**

  Ensure that all team members are aware of the budget guidelines and adhere to them.

## 10. Communication with Stakeholders

- [ ] **Schedule regular updates and meetings**

  Set dates for regular status updates and budget meetings with key stakeholders.

- [ ] **Define report format and frequency**

  Determine the format and frequency of budget reports to ensure transparency.

- [ ] **Provide cost tracking information**

  Determine which budget information the stakeholders should receive on a regular basis.

## 11. Change Management for Budget Adjustments

- [ ] **Define the process for budget changes**

  Develop a structured change management system for the approval of budget adjustments.

- [ ] **Document budget changes**

  Document all budget changes and provide comprehensible justifications

- [ ] **Inform stakeholders about adjustements**

  Notify stakeholders of budget adjustments and their potential impact.

## 12. Final Inspection and Evaluation

- [ ] **Carry out planned/actual comparison at the end of the project**

  Compare the planned costs with the actual costs incurred at the end of the project.

- [ ] **Document deviations and causes**

  Record deviations and their causes in order to learn from them for future projects.

- [ ] **Create final report**

  Create a comprehensive report to evaluate the budget planning and cost efficiency of the project.

## Additional Tips and Recommendations

- [ ] **Apply proven estimation methods**

  Use proven estimation methods and empirical values to refine the cost estimate.

### Allow time for planning

Take sufficient time to prepare and review the cost plan.

### Use project management software

Rely on a central software solution to optimize the management and overview of cost planning. This central software solution does not only help you with cost planning, but also with the entire project process.

**Checklist for choosing the most suitable project management software**

Find the project management software that meets your needs. It's easy with this checklist!

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