



BSBPMG533

ASSESSOR GUIDE

# MANAGE PROJECT COST

Assessment 5 of 7

Project and role-play: Project 4

Sales and marketing team Kick-off Event



## Assessment Details

### Task overview

This assessment task is divided into two [2] parts:

- Part A – Conduct a consultation session (recorded assessor observation)
- Part B – Develop project budget (project)

Read the case study and complete each part.

### Additional resources and supporting documents

To complete this assessment, you will need the following:

- CBSA policies and procedures
- CBSA Business Plan
- IM010 Procurement policy and procedures
- TM018 Project budget template (provided below)
- Sales and marketing team Kick-off Event plan brief (provided below)

### Assessment Information

#### Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

#### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- a. the processes for conducting the assessment (e.g. allowing additional time)
- b. the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

## Task instructions (for the student) Part A: Conduct a consultation session

**Case study:** You work as Evan Pierce, Project Officer for Complete Business Solutions. You have recently worked on the leadership development conference project.

You receive an e-mail from Tina Hughes, Sales and Marketing Manager at CBSA.

Read the:

- E-mail from Tina Hughes to determine the project requirements and costs for the Sales and marketing team Kick-off Event
- CBSA Sales and Marketing Team Kick-Off Event Plan Brief to review the Event requirements and costings information.



To: Evan Pierce (Evan.pierce@cbsa.com.au)  
CC: Chief Finance Officer  
From: Tina Hughes (Tina.Hughes@cbsa.com.au)  
Date/time: Friday 10:05 a.m.  
Subject: Determine Project Costs: Sales and marketing team Kick-off Event  
Attachments: CBSA Sales and marketing team Kick-off Event Plan Brief.docx; Project Budget Template.docx; CBSA Project Cost Management Plan Template.docx

To Evan,

I was very impressed with the team's work on the leadership development conference. Next, I want to have you work on the Sales and Marketing team Kick-off Event.

The plan is to run a kick-off event over three consecutive days.

I have attached the event brief and require you to determine project costs as outlined in the brief.

This year's Kick-off Event will be slightly different as we will defray costs by inviting 50 CBSA vendors to attend days two and three of the event for the sales success symposium.

We will charge the vendors a fee to have stalls at the event to display their products and services for the two days, and you will need to factor this into the project budget as income.

We are keen to theme the event around sports and would like to engage well-known successful Australian sportsperson and sales motivation speaker Avery Brookes to deliver an opening address on days two and three

Please use the following documents to assist you and for further reference:

- IM010 Procurement Policy and Procedures (accessible via the CBSA website)
- TM018 Project Budget Template (accessible via the CBSA website)
- Project Budget template (attached)
- Cost Management template (attached)

I am pleased to advise that we have approved the budget for staffing costs for you as a project officer and an administrative assistant for four weeks to undertake the necessary planning for the Sales and marketing team Kick-off Event

I would like you to also develop a cost-management plan for the program finances according to the scope of responsibility. Please ensure that you meet the requirements outlined in the Sales and marketing team Kick-off Event brief.

I would appreciate it if you could please provide the information by the close of business next Tuesday.

Kind regards,

Tina Hughes

Sales and Marketing Manager

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

[www.cbsa.com.au](http://www.cbsa.com.au)



## ATTACHMENTS BELOW:

### Sales and marketing team Kick-off Event Plan Brief.docx

#### SALES AND MARKETING TEAM KICK-OFF EVENT PLAN BRIEF

The following information reflects notes from the Board of Directors and the Senior Management Team about the proposed sales and marketing team Kick-off Event.

- **Event purpose, style and outcomes**
  - Purpose of the event:
    - To provide a Sales and marketing team Kick-off Event focusing on sales and marketing activities for CBSA.
    - To provide sales and marketing skills, knowledge and trends for the Sales and marketing team.
    - To connect vendors to the members of the Sales and marketing team and provide networking activities
- **Desired outcomes:**
  - Provide professional development for the sales and marketing team
  - A well-informed Sales and marketing team
  - A highly motivated Sales and marketing team
  - Promote Sales and marketing team activities and vendor Networks
- **Event theme:** "Kick-off" – sports team colours.
- **Event style:** Business casual with a balance of event theme elements to ensure that outcomes are achieved.
- The event will be a three-day event, with day one focused on the Sales and marketing team for a strategic planning day.
- All three days will be open to all sales and marketing teams, with a maximum capacity of 50 attendees.
- Days two and three will include one keynote address from a chosen speaker each day, four sessions each day and breaks. Each day is scheduled from 9:00 a.m. to 4:00 p.m.

#### Venue

- **Event facilities:** we require a centrally located venue in Sydney with a hall accommodating up to 50 (fifty) people. We may also want to accommodate interstate staff and the speaker there, so will need to be a room for the speaker either within the same facility or in nearby hotels, accommodation for approximately 10 (ten) people.
- Venues must be able to provide the required equipment. Need to be able to access audio-visual equipment, including microphones, projectors and screens for projecting. Also, we need lecterns and an electronic whiteboard.
- Event catering should be on-site and include high-quality morning tea, lunch and afternoon tea.
- You will need to look at venues and their costs to calculate the price.

#### Draft sales and marketing team kick-off event program

The event program must include key sessions based on the timing advised in the brief, plus the speaker's details. The program will consist of networking sessions mixed with formal sessions and frequent breaks.

#### Recommended Speaker

- **Speaker.** Well-known successful Australian sportsperson and sales motivation speaker Avery Brookes.

- Book the single keynote speaker to deliver an opening address on days two and three
- Arrange six facilitators from Sales and marketing team leaders for breakout sessions on days two and three.
- Fees include \$2,000 for the keynote speaker plus travel costs depending on their location.

### Participant Profile

Target Participant Group:

- Day 1: sales and marketing team members
- Days 2 and 3: All sales and marketing team members and displaying vendors.

### Proposed Budget Allocation and Timeline

- Budget: Projected numbers will be 50 team members and 50 displaying vendors.
- We want to make at least 30% profit after costs. So, the price of Vendor Registration should be determined based on this.
- You will need to develop a preliminary budget based on estimated costs and proposed vendor registration fees. This will include identifying all the possible expenses and estimated costs and then calculating the vendor registration fee required to make at least a 30% profit.
- Budget variances of up to 10% can be accommodated but must be reported.
- Timelines: the event is to be conducted six months from today.
- Event timing: not during public holidays, school holidays, late December, early January, or weekends.

### Event Action Plan [Work breakdown structure]

Task	When	Who
1. Venue <ul style="list-style-type: none"> <li>▪ Get quotes</li> <li>▪ Decide venue</li> <li>▪ Book venue and equipment</li> <li>▪ Arrange catering</li> </ul>	Six months before the sales kick-off	Project Officer
2. Speaker <ul style="list-style-type: none"> <li>▪ Decide topics</li> <li>▪ Arrange speaker</li> <li>▪ Brief speaker</li> </ul>	Six months before the sales kick-off	Project Officer
3. Marketing <ul style="list-style-type: none"> <li>▪ Decide marketing communication strategies</li> <li>▪ Develop promotional materials</li> <li>▪ Implement marketing communications</li> </ul>	Commencing on finalisation of venue and speaker	Project Officer Sales and Marketing Manager
4. Event Registration <ul style="list-style-type: none"> <li>▪ Prepare the sales and marketing team kick-off event materials</li> <li>▪ Create a registration process</li> <li>▪ Process registrations</li> </ul>	Two months before the sales kick-off	Project Officer

## Promotion

- Digital marketing communication: for example, social media channels (such as Facebook, Twitter, and LinkedIn) for existing vendors and organisation-sponsored websites.
- Direct marketing uses several types of media, for example, e-mail marketing, to reach existing vendors and encourage them to purchase or take some form of immediate response.
- Use database marketing to promote the sales kick-off event to existing vendors.
- Sales promotion, for example, using price reductions, contests or sweepstakes to encourage CBSA vendors to attend.

## Registration

- Each Internal attendee must register separately.
- On the event days, print the official confirmation of registration e-mail and bring it with you to the on-site registration desk.

## Vendor Registration

- Each attendee must register separately.
- Early vendor registration payments must be received by DATE for the early registration fees to apply.
- If payment is not received by this deadline, no early bird payment is due.
- On the event days, print the official confirmation of registration e-mail and bring it with you to the on-site registration desk.

You will complete a role-play activity with your Assessor or another student who will act as Tina Hughes, Sales and Marketing Manager.

In this role-play, you will consult with Tina to:

- review the marketing activities
- identify the required resources for completing marketing activities

## Steps

Consult with Tina to:

1. Review the work breakdown structure to identify the resources requirements for tasks
2. Ask open and closed questions to confirm requirements and seek guidance

Your Assessor will observe your skills and check that you demonstrate the following skills:

- Speak clearly and concisely
- Use non-verbal communication to assist with understanding.
- Ask open and closed questions to gather information, confirm requirements and seek guidance
- Listen without interrupting
- Use appropriate vocabulary and tone
- Recognise the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.
- Collaborate with Tina to achieve goals

You will use the information gained from Part A to complete **task B**, which will require you to complete the following:

- the **CBSA Project Budget template** to record the resource requirements for individual tasks in the breakdown structure
- the **CBSA Project Cost Management Plan** to develop a cost management plan for the Sales and marketing team kick-off event.

*Option 1: Industry Peers OR Student participant/s*

## Role play instructions

The role-play must include one (1) participant/s, must not exceed ten minutes in duration and must address all elements of the Observation Checklist below.

In this task, you will participate in a role/play meeting with others. These may be resourced using one of the following options:

1. Peer/s who you are already working within the industry your qualification relates to.
2. Fellow student/s who will play the role of a team member. Please contact your fellow student/s via the Discussion Forum and coordinate your role-play with them directly.

If you cannot find a participant/s to play the role of the other team member/s, contact your Assessor via the Discussion Forum, who will discuss options for pairing up with another student/s to complete this task.

### Option 1: Peer/s participant

Should you complete this task with your Peer/s, you must fully brief all participant/s, providing them with the context of the role play/meeting, a role outline to play and a copy of the observation checklist so that they can prepare for the recording.

Peer/s will need to state their name and job title at the start of the recording to inform consent. The peer will need to be provided with the script from the Assessor to prepare for their role.

### Option 2: Fellow student/s participant

Fellow student/s participating in the recording must be provided with context to their role and responsibilities in the session and have reviewed the assessment activity and observation checklist so that they can prepare for the recording.

Student/s will need to state their name and that they are a student (as their job title) at the start of the recording to inform consent.

## Recording instructions

Your role play must be recorded with all participant/s captured in a virtual room using a system such as Zoom, Skype or Teams.

Consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying with their name and job title to inform consent.

*"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my Assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."*

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

## Submission instructions

Submit a recording of your role play/observation via the LMS.





## Assessor instructions Part A: Conduct a consultation session

There is no due submission date for this task. Students may submit this task when they are ready.

Review all evidence and mark using the assessment checklist and assessment marking criteria.

### Purpose of task

This part is designed to ensure that the student can consult with relevant stakeholders and identify resource requirements for individual tasks identified in the work breakdown structure.

### Guidance to Assessor about the task

There is no due submission date for this task.

The Assessor is to organise the consultation session with each student. Students can also be organised in groups of two, one playing the role of the Sales and Marketing Manager and the other playing the role of the Project Officer and the Assessor to observe the role-play. Where the Assessor is involved in the role-play, the Assessor will role-play Tina, the CBSA's Sales and Marketing Manager. The Assessor will need to provide the person playing Tina Hughes with the following role-play instructions.

#### *Role of Tina Hughes – role play instructions*

The role of Tina Hughes is managerial, and the Assessor or student will play this role in a professional, business-like manner.

During the role-play, Tina will complete the following:

- Confirm the following tasks to be conducted for the Sales and Marketing Team Kick-Off Event Project:
  - Digital marketing communication: for example, social media channels (such as Facebook, Twitter, and LinkedIn) for existing vendors and organisation-sponsored websites.
  - Direct marketing using several types of media, such as e-mail marketing, to reach existing vendors and encourage them to purchase or take some form of immediate response.
  - Use database marketing to promote the Sales and Marketing Team Kick-Off Event to existing vendors.
  - Sales promotion, for example, using price reductions, contests or sweepstakes to encourage CBSA vendors to attend.
- Express the following resources requirements:
  - Tasks can be performed with one project staff paid \$45 p/hour.
  - Materials to be used by the Project staff member are estimated to cost \$400
  - Products used by Project staff are estimated to cost \$800
  - Venue costs – researched costs on the internet and showed the budget cost of the cheapest venue
  - Marketing promotional materials are estimated to cost \$600.
- Express the following ideas during the consultation:
- Some technologies are low-cost or free; for example, WhatsApp is free and easy to use. WhatsApp can be downloaded on a SMART phone to facilitate team coordination.

#### *Role of Project Officer (student conducting consultation)*

The student must consult with Tina to:

- Review the work breakdown structure to identify the resources requirements for tasks
- Ask open and closed questions to confirm requirements and seek guidance

The Assessor will check that the student demonstrates the following skills:

- Speak clearly and concisely
- Use non-verbal communication to assist with understanding.
- Ask open and closed questions to gather information, confirm requirements and seek guidance

- Listen without interrupting
- Use appropriate vocabulary and tone
  - Recognise the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.
  - Collaborate with Tina to achieve goals

Review all evidence and mark using the assessment checklist and marking criteria listed below.

## Marking criteria Part A: Conduct a consultation session

### Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part A: Conduct a consultation session		
1.	Role play video evidence – Tina Hughes, Sales and Marketing Manager, not exceeding 10 minutes	<input type="checkbox"/>

### Observation Checklist

The Assessor observed the student's skills and satisfactorily [S] covered the following criteria or not yet satisfactory [NYS] and requires re-assessment.

MARKING CRITERIA / OBSERVATION CHECKLIST (To be completed by the Assessor when they watch the video or observe the assessment in real-time as they conduct the assessment)		Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	Consulted with Tina to review the work breakdown structure to identify the resources requirements for tasks	<input type="checkbox"/>	<input type="checkbox"/>
2.	Ask open and closed questions to gather information, confirm requirements and seek guidance	<input type="checkbox"/>	<input type="checkbox"/>
3.	Speak clearly and concisely	<input type="checkbox"/>	<input type="checkbox"/>
4.	Used non-verbal communication to assist with understanding. For example: nodding in agreement, open body language, appropriate gestures	<input type="checkbox"/>	<input type="checkbox"/>
5.	Listened without interrupting	<input type="checkbox"/>	<input type="checkbox"/>
6.	Used appropriate vocabulary and tone	<input type="checkbox"/>	<input type="checkbox"/>
7.	Recognised the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.	<input type="checkbox"/>	<input type="checkbox"/>
8.	Collaborated with Tina to achieve goals	<input type="checkbox"/>	<input type="checkbox"/>

## Task instructions (for the student) Part B: Develop project budget

Refer to the Sales and Marketing Team Kick-Off Event materials brief and information you gathered from the Sales and Marketing Manager in Part A.

### Steps

Complete the following steps based on the information you gathered from the Sales and Marketing Manager, e-mail and Sales and Marketing Team Kick-Off Event materials brief in Part A.

1. Complete the **CBSA Project Budget template** (attachment) to record the work breakdown structure's resource requirements for individual tasks.

**Tip:** Refer to the Sales and Marketing Team Kick-Off Event Plan Brief to find the relevant information to complete this task. The Sales and Marketing Team Kick-Off Event Action Plan includes a work breakdown structure that can be used in the project budget template.

2. Complete the **CBSA Project Cost Management Plan** (attachment) to estimate the costs within agreed tolerances and develop a cost management plan for the Sales and Marketing Team Kick-Off Event

### Submission instructions

Submit your assessment via the LMS.

## Assessor instructions Part B: Develop project budget

### Purpose of task

This part is designed to ensure that the student can demonstrate their theoretical knowledge and skills to estimate project costs for the project budget within agreed tolerances and develop a project budget and a cost-management plan.

### Guidance to the Assessor about the task

There is no due submission date for this task. Students may submit this task when they are ready.

The student must use the Project Budget Template provided to complete the Project Budget Details.

The student must use the information provided in the Sales and Marketing Team Kick-Off Event Brief and information gained from Part A role-play to complete the project cost budget template, including:

- Project staff
  - Tasks can be performed with one project staff paid \$45 per hour.
  - Materials to be used by the Project staff member are estimated to cost \$400
  - Products used by Project staff are estimated to cost \$800
- Venue costs –shows the cheapest venue's budget. Costs will vary for each student depending on the research conducted. Research for each venue does not need to be provided.
- Speaker costs have been identified as \$2,000 plus travel costs
- Marketing promotional materials are estimated to cost \$600.

The project budget must be identical to the above figures where provided. Costs of venues and travel costs may vary and may include the following:

### Project Budget Details

Project Name	Sales and Marketing Team Kick-Off Event
Project Lead	Tina Hughes – Sales and Marketing Manager

Start Date	May 20??
Total Budget	\$68,048.00 (must match the total in the budget breakdown)

### Budget Breakdown

WBS level	Task	Labour		Physical resources		Budget	Actual <small>(To be completed in task6, Part A)</small>	Difference <small>(To be completed in task6, Part A)</small>
		Hr	Rate	Materials	Products			
1.	<b>Project Staff</b> Assign Project officer and admin staff x 4 weeks. Engage staff <ul style="list-style-type: none"> <li>Staff</li> <li>Admin</li> <li>Materials</li> <li>Products</li> </ul>	PO \$45p/h Admin \$29 p/h	PO \$6,840 Admin \$4,408	\$400	\$800	\$12,448		
2.	<b>Venue</b> Get 3 quotes -decide Book venue, equipment, arrange catering <ul style="list-style-type: none"> <li>Venue</li> <li>Catering</li> <li>Booking, Equipment fees</li> <li>Cleaning</li> </ul>	Covered in row 1	Covered in row 1	\$0	\$0	\$30,000 + \$15,000		
3.	<b>Speaker</b> Decide topics Arrange speaker Brief speaker Travel and accommodation <ul style="list-style-type: none"> <li>Speaker</li> <li>Travel, accommodation</li> </ul>	Covered in row 1	Covered in row 1	\$0	\$0	\$2,000 + \$3,000		
4.	<b>Marketing</b> Decide marketing strategies Develop promotional materials Implement	Covered in row 1	Covered in row 1	\$600		\$600		

	marketing communications							
	<ul style="list-style-type: none"> <li>• Materials</li> <li>• Products</li> </ul>							
5.	<b>Registration</b> Prepare Sales and Marketing Team Kick-Off Event materials Create registration process Process registrations <ul style="list-style-type: none"> <li>• Materials</li> <li>• Products</li> <li>• Registration Fee</li> </ul>	Covered in row 1	Covered in row 1	\$2,500	\$2,000	\$4,500		
<b>Totals</b>						\$67,548.00		

The student must use the Project Cost Management Plan Template to complete the Project Cost Management Details. The student must use the information provided in the Sales and Marketing Team Kick-Off Event brief to complete the project cost management budget template. The project budget will vary depending on the proposed amounts.

An example is provided below:

### Project Cost Management Plan

<b>Project Name</b>	Sales and Marketing Team Kick-Off Event
<b>Introduction</b> Outline the purpose of the cost management plan in relation to the project	The student outlined the purpose of the cost management plan in relation to the project. For example: <ul style="list-style-type: none"> <li>• It provides the details of how the project costs will be estimated, tracked, and controlled; or</li> <li>• The cost management plan states the estimating, budgeting and controlling of costs throughout the project life cycle, with the objective of keeping expenditures within the approved budget; or</li> <li>• This Cost Management Plan has been developed to ensure effective and efficient cost management of the Sales and Marketing Team Kick-Off Event:               <ul style="list-style-type: none"> <li>– outlines the costs of the project</li> <li>– describes factors that could increase costs</li> <li>– describes cost control procedures.</li> </ul> </li> </ul>
<b>Resource requirements</b> Identify the major resources requirements identified in the CBSA Project Budget	The student identified the major resource requirements to assist with cost estimation. This must include WBS task resources, including: <ul style="list-style-type: none"> <li>• Project staff</li> <li>• Venue, equipment, catering</li> </ul>

	<ul style="list-style-type: none"> <li>• speaker and associated materials</li> <li>• registration software and processing</li> <li>• marketing promotions costs – digital marketing and printed materials</li> <li>• Event materials</li> </ul>																		
<p><b>Major project costs</b></p> <p>Outline the budget for the project using the following table</p>	<table border="1"> <thead> <tr> <th colspan="2" data-bbox="464 286 1503 369">Projected costs</th> </tr> </thead> <tbody> <tr> <td data-bbox="464 369 1185 452">Project staff PO and Admin</td> <td data-bbox="1185 369 1503 452">\$12,448</td> </tr> <tr> <td data-bbox="464 452 1185 535">Venue and equipment hire</td> <td data-bbox="1185 452 1503 535">\$30,000</td> </tr> <tr> <td data-bbox="464 535 1185 618">Catering</td> <td data-bbox="1185 535 1503 618">\$15,000</td> </tr> <tr> <td data-bbox="464 618 1185 701">Speaker fees – keynote x 1</td> <td data-bbox="1185 618 1503 701">\$2,000</td> </tr> <tr> <td data-bbox="464 701 1185 784">Speaker travel</td> <td data-bbox="1185 701 1503 784">\$3,000</td> </tr> <tr> <td data-bbox="464 784 1185 866">Marketing and Promotions</td> <td data-bbox="1185 784 1503 866">\$600</td> </tr> <tr> <td data-bbox="464 866 1185 949">Set up the event registration process</td> <td data-bbox="1185 866 1503 949">\$4,500</td> </tr> <tr> <td data-bbox="464 949 1185 1010" style="text-align: right;"><b>TOTAL</b></td> <td data-bbox="1185 949 1503 1010"><b>\$67,548</b></td> </tr> </tbody> </table>	Projected costs		Project staff PO and Admin	\$12,448	Venue and equipment hire	\$30,000	Catering	\$15,000	Speaker fees – keynote x 1	\$2,000	Speaker travel	\$3,000	Marketing and Promotions	\$600	Set up the event registration process	\$4,500	<b>TOTAL</b>	<b>\$67,548</b>
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<p><b>Income (Vendor Registration fee) to meet profit margin target (considering project variance)</b></p>	<p>Vendor Registration fee 50 x \$A = \$B            \$B – (expenditure) \$C = \$D            \$D is E% profit of C\$            E% – 10% (project variance) &gt;= 30% profit</p> <p>Vendor Registration fee 50 x \$1,792.65 = \$89,632.40 minus expenditure \$68,948 = \$20,684.50, which is 30 % profit, allowing for 10% project variance gives 30% profit.</p>																		
<p><b>Potential causes of increases in costs</b></p> <p>List <b>three</b> potential costs that could increase and the reason for the increase in cost.</p>	<p>The student must list three potential costs that could increase and the reason for the cost increase.</p> <p>Any three of the following are acceptable:</p> <ul style="list-style-type: none"> <li>• Air travel, car travel, accommodation, marketing cost charges, and printing costs increased by the vendor</li> <li>• Speakers' fees, e.g., the speaker declines the \$2,000 fee offered and seeks higher fees.</li> <li>• Marketing promotions are higher than anticipated.</li> <li>• Outside contractors are required to assist with the event effort.</li> <li>• Registration software is higher than expected.</li> <li>• Additional items are added to the event program.</li> </ul>																		
<p><b>Project cost control procedures</b></p> <p>Describe cost control management processes that will be followed.</p>	<p>Source: <a href="https://www.ecosys.net/knowledge/project-cost-management/">https://www.ecosys.net/knowledge/project-cost-management/</a> (accessed 13 November 2020).</p> <p><b>1. Project Resource Planning</b></p> <p>Resource planning is identifying the resources required to execute and complete a project. Examples of resources are people (such as employees and contractors) and equipment (such as infrastructure, large construction vehicles and other specialised</p>																		

equipment in limited supply).

Resource planning is done at the beginning of a project before any actual work begins.

Project managers must have the work breakdown structure (WBS) ready to get started. Then, they need to look at each subtask in the WBS and ask how many people, what kind of skills are needed to finish this task, and what sort of equipment or material is required to finish this task.

By adopting this task-level approach, it becomes possible for project managers to come up with an accurate and complete inventory of all resources, which is then fed as input into the next step of estimating costs.

## 2. Cost Estimation

Cost estimation quantifies the costs associated with all the resources required to execute the project. To perform cost calculations, we need the following information:

- resource requirements (output from the previous step)
- price of each resource (e.g., staffing cost per hour, vendor hiring costs, server procurement costs, material rates per unit, etc.)
- the duration that each resource is required
- list of assumptions
- potential risks
- past project costs and industry benchmarks, if any
- insight into the company's financial health and reporting structures.

## 3. Cost Budgeting

Cost budgeting can be viewed as part of estimation or a separate process. Budgeting is allocating costs to a certain chunk of the project, such as individual tasks or modules, for a specific period. In addition, budgets include contingency reserves allocated to manage unexpected costs.

## 4. Cost Control

Cost control is measuring cost variances from the baseline and taking appropriate action, such as increasing the budget allocated or reducing the scope of work, to correct that gap. Cost control is a continuous process done throughout the project lifecycle. The emphasis here is as much on timely and clear reporting as measuring.

Along with the cost baseline, the cost management plan is an essential input for cost control. This plan contains details such as how project performance will be measured, the threshold for deviations, what actions will be done if the threshold is breached, and the list of people and roles with executive authority to make decisions.

**OR**

Project costs will be controlled as follows:

Costs will be monitored every week.

Variation rate	Action
0-5%	Report variance and explanation of the cause
5-20%	The project manager must approve further commitment to additional costs
20-45%	The senior management team must approve further commitment to additional costs

	45% plus	The project must be stopped and reconsidered
<p>When a cost variation is considered, the project cost management plan must be updated.</p> <p>Complete the table below to show allowable variations in costs and approval requirements.</p>		
	<b>Cost variation</b>	<b>Approval requirements</b>
	Increase the cost of interstate travel	Gain approval from the managing director if over \$200.00
	Increase the cost of catering	Lock in price with the venue in agreement Gain approval from the managing director if over \$200.00
	Increase the cost of accommodation	Get an agreed price in writing Book in advance to lock in the price
	Speakers cost increase	Get an agreed price in writing Book in advance to lock in the price
	Printing costs	Get an agreed price in writing Book in advance to lock in the price Seek alternative printers

Review all evidence and mark using the assessment checklist and assessment marking criteria.

## Marking criteria Part B: Develop project budget

### Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part B: Develop project budget		
1	CBSA Project Budget	<input type="checkbox"/>
2	CBSA Project Cost Management Plan	<input type="checkbox"/>

### Assessment marking criteria

**Assessor instructions:** All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily (S) covered the following criteria, or the evidence is not yet satisfactory (NYS) and requires resubmission.

MARKING CRITERIA		Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	The student developed a project budget using the <b>CBSA Project budget</b> and included the following: <ul style="list-style-type: none"> <li>• Resource requirements for individual tasks in the work breakdown structure</li> </ul>	<input type="checkbox"/> S	<input type="checkbox"/> NYS



2.	<p>The student developed a cost management plan using the <b>CBSA Project Cost Management Plan</b>, including:</p> <ul style="list-style-type: none"> <li>• estimated project costs for the project budget prepared within agreed variations</li> <li>• developed according to the scope of responsibility using the CBSA template</li> </ul>	<input type="checkbox"/> S	<input type="checkbox"/> NYS



**Congratulations, you have reached the end of Assessment 5 !**

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