



## Case study: Increasing transparency of project cost performance against budget

Enabling each stakeholder to keep an eye on their own area of interest

### The Situation

- Pragmatic PMO was engaged to support a multi-million pound project to fit out a new customer contact centre.
- Each stakeholder had their own view of what should be included in the project finances being monitored.
- So when a stakeholder asked “How are we doing against the budget?” each one meant a different “budget”, which made answering the question “interesting”...!

### The Target

- To set up a system to monitor actual and forecast expenditure against approved project budget.
- We realised that we needed a view of performance against a *range* of budgets or “pots” that include or exclude various things from one underlying dataset.

### The Action / Approach

- We ascertained who was interested in what (for example the Sponsor was interested in the entire business case including landlord reimbursement, the quantity surveyor was interested in the main contractor contract sum, Finance were interested in the net spend for each financial year, etc.).
- Having created a spreadsheet cost tracker, we increased transparency of costs composition by adding a Venn diagram showing the budget pots included in each monitoring envelope.
- We labelled each monitoring envelope in the Venn diagram with live figures for budget and forecast at completion, all fed from the cost tracker.
- Thus we better understood what was going on, enabling us to communicate this to the various stakeholders.

### The Result

- We could report to each stakeholder how they were doing against their own view of “the budget”, and they could see the status of their monitoring envelope, its constituent parts, and how it related to other monitoring envelopes.
- In this way, we increased the programme’s credibility with, and confidence from, stakeholders across the business, and increased transparency of costs composition and forecast against budget.

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