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Project Management and Cost Cutting

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# Introduction

Whenever any project is carried out, there are always going to be differences in terms of the actual estimates of the cost and how the actual adds up as well as the timelines. The reason for this variance and delay is due to the fact that there are many underlying factors that are likely to have an impact on the prospect of the project due to which these timelines are affected, and variances are witnessed across the lifeline of the project. There is inflation, change in the cost of the production and raw material as well as the law and order situation and as they are not bound to be predicted at any moment of time. This is the prominent reason that there are some variances witnessed in more or less all the projects. In this paper, it is going to be seen that what are some of the reasons for the variance in the total scale of the project and how the management of these resources and how they are allocated. One of the main steps to reducing project costs involves making sure you're trying to save money in the right areas. For example, you never want to reduce project costs by cutting employees because you're only setting yourself up for disaster.

# How Cost of the Project is going to be controlled

One of the better ways through which the cost of this project is going to be managed is by making sure that all the stakeholders who are involved in the decision-making process are made the part of the decision making process. The ideal thing that is needed to be done during the course of any project must be to make sure that the items that can be procured cheaply from elsewhere and proper research is needed to be carried out in this regard so that it can be made sure that the overall costs associated with the project are being managed. Furthermore, another effective way to ensure that the cost considerations that are associated with the project can be managed is by having an insight about the resources that project managers have at their disposal. The other thing that could have been done during the course of the project was to make sure that all the stakeholders who are involved in the decision must be brought on board in terms of how management of the resources are needed to be done. Thus, all these factors would also affect how the cost control mechanism is needed to be developed during the project. Not only that, the timelines and the cost considerations Project management is likely to be seen as an enabler for cost reduction in an organisation where project management as a discipline is understood.

# Creation of the Reporting Mechanism

Most of the times, what happens is that as there is lack of proper reporting mechanism during the course of the projects, it creates variances in a sense that the project managers do not have insight about how the timelines of the project are going to be managed. So, one of the key things that is needed to be done during the course of the project. The other thing that can be done by the organizational stakeholders is to come up with the accounts payable journal that is going to allow for a more controlled approach towards the way fund management and the overall management of the expenditure for the corresponding time period. Project planning must be such that the variance should not be there in terms of how project planning is being done at the broaderRather than being ambitious, it is a good idea to develop an insight about the resources that project managers have at their disposal and then make a decision in accordance to that. Thus, there has to be some sort of leeway regarding the timelines. The major issue with most of the project managers is that they do not take into consideration the fact that how much impact the undecided timelines are going to be having over the eventual finality of the project and thus it creates disruption. A project manager can lower controllable expenses by approaching cost savings as a core element at the project's start.

# Reflection of my Learning

Now, what has happened in the project that external factors that were likely to have an impact over the project were not taken into account and the cost estimates were kept low. Due to that, one can feel that there were always going to be issues in terms of how it was going to be made sure that the overall cost can be managed due to the change in the circumstances. The important thing that is needed to be done here is to ensure that the estimates about the timelines and the total cost that is attributed to the project must be taken into account. Furthermore, the stringent reporting mechanism is needed to be setup so there is an element of accountability among all the people who are involved in the project. This way, it can be made sure that not only the cost considerations of the project are going to be managed, it would allow timelines to be setup in a more appropriate manner. The project manager typically can act at the project-level to reduce cost, accordingly. Favored project-level cost cutting approaches include multiple bidders, finding cheaper resources, shortening duration, and renegotiating your team member's estimated effort.

**References**

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