

Hi Cathy,

Your insightful discussion post on project budgeting does a fantastic job emphasizing its foundational role in guiding resource allocation and setting financial frameworks in project management. Your focus on the complexities of budget estimation, especially at the early stages of project planning, is particularly poignant and resonates with the real-world challenges project managers often face.

Budgeting as a Strategic Framework

You have aptly described how project budgeting transcends traditional functional budgeting methods by incorporating risk management and budget-type considerations. This comprehensive approach is crucial in today's project management landscape, where adaptability and precision are keys to success.

Integration of Contingency Reserves

Your mention of contingency reserves as an integral part of the budget to manage unforeseen costs and risks is a crucial reminder of the dynamic nature of project management.

Recognizing that these reserves are not just safety nets, but strategic tools is an important perspective that adds depth to the discussion.

Project Budgeting and PERT Analysis

I appreciate your reference to PERT (Project Evaluation and Review Technique) and its value in project budgeting, highlighting its differences from traditional methods. It is a technique that adds rigor to the budgeting process, and your mention sparks interest in further exploring how it can be applied effectively in various project scenarios.

Recommendation for Further Reading

To enhance our collective understanding, I would recommend reading “Failure Case of Earned Value Method (EVM): The “Absurd” of the Use of Management & Contingency Reserves Budgeting” available at Sciendo. It provides a critical look at budgeting practices and the effective use of reserves, which could be a valuable addition to the points you have raised.

Your conclusion beautifully ties the role of budgeting to the core responsibilities of a project manager and the strategic essence of project management. Your post is engaging and highlights the importance of thorough and precise budget planning in project management.

Best regards,

Avinash Bunga

Reference:

Metallinos Pavlos. (2022). *Failure Case of Earned Value Method (EVM): The “Absurd” of the Use of Management & Contingency Reserves Budgeting*. Baltic Journal of Real Estate Economics and Construction Management, 10(1), 41–75.
<https://doi.org/10.2478/bjreecm-2022-0004>