

# Project: METAL SNAKE



## Cost Management Plan

**Project Sponsor:** Brendan Gasparin

**Project Manager:** Brendan Gasparin

**Date of Project Approval:** 14/08/2024

**Commencement Date:** 29/07/2024

**Estimated Completion Date:** 24/10/2024

**Estimated Project Duration:** 17 Weeks

**Version:** 1.00 (YYYY-MM-DD)

## 1. Executive Summary

### 1.1. Purpose

The purpose of this Cost Management Plan is to define the process for estimating, monitoring, and controlling costs for Project: METAL SNAKE. This plan ensures that the project stays within its financial limits while achieving its objectives of building a secure on-premises cybersecurity lab with a web hosting server, integrated with cloud services.

### 1.2. Overview

Project: METAL SNAKE has an estimated budget of AUD 2,350.99. The cost management approach includes a detailed process for cost estimation, budgeting, tracking actual costs against the budget, and managing cost variances. The plan also includes a contingency fund for unforeseen expenses and regular cost reporting to stakeholders.

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## **2. Cost Management Approach**

### **2.1. Cost Estimation**

Cost estimation for Project: METAL SNAKE will involve a combination of bottom-up estimating and expert judgment. Each task will be broken down into its component costs, including personnel, hardware, software, and facilities. Estimates will be validated by the project team and key stakeholders using vendor prices, historical data from similar projects, and expert input.

### **2.2. Budgeting**

The project budget will be developed based on detailed cost estimates, including all personnel, hardware, software, and facility costs. An AUD 500.00 contingency reserve will be included to cover unforeseen expenses. The total estimated budget for Project: METAL SNAKE is AUD 2,350.99. The budget will be reviewed and approved by key stakeholders, including the Project Sponsor and Project Manager.

### **2.3. Cost Baseline**

The cost baseline for the project will be set at AUD 2,350.99. This represents the approved budget for Project: METAL SNAKE and will be used as a reference point for measuring actual spending throughout the project. The cost baseline does not include the management reserve, which will be controlled separately by the Project Sponsor.

### **2.4. Cost Control**

Cost control will involve regular tracking of costs against the budget, identifying variances, and taking corrective actions as necessary. The Project Manager will be responsible for monitoring costs, generating cost reports, and managing cost variances. Cost control activities will include frequent budget reviews, cost performance analysis, and ensuring that any changes to the budget are formally approved.

### **3. Roles and Responsibilities**

The organization is a one-person business, and generally all responsibilities will fall on the Project Sponsor/Manager, including the roles of the Finance Team.

#### **3.1. Project Manager**

The Project Manager is responsible for overseeing the entire cost management process, including cost estimation, budgeting, and cost control. The Project Manager will generate regular cost reports, manage cost variances, and communicate any issues to the project team and stakeholders.

#### **3.2. Finance Team**

The Finance Team will assist with cost tracking and financial analysis. They will ensure that all actual costs are recorded accurately, and that financial data is up-to-date. The Finance Team will also support the Project Manager in generating financial reports and identifying potential financial risks.

#### **3.3. Stakeholders**

Stakeholders, including the Project Sponsor/Manager, will review and approve the cost management plan, budget, and any necessary changes. They will also receive regular updates on cost performance and any issues that may impact the project budget.

## 4. Cost Estimation and Budgeting Process

### 4.1. Cost Estimation Methodology

- **Vendor Prices:** Prices from suppliers will be used for estimating hardware and software procurement costs.
- **Bottom-Up Estimating:** Costs for each task will be estimated by breaking down work packages into smaller, more manageable components. This will be used for personnel costs, hardware procurement, and software licenses.
- **Expert Judgment:** Input from experienced team members and stakeholders will be used to validate estimates, particularly for software and cloud service costs.

### 4.2. Budgeting Process

The project budget will be developed by aggregating cost estimates for all components of the project. The budget will include:

- Personnel costs for the Project Manager, IT Team, Security Team, and Operations Team.
- Hardware costs, including Raspberry Pi devices, network equipment, and peripherals.
- Software costs for cloud services and security software.
- Facility costs for power supply and Internet service.
- An AUD 500.00 contingency reserve to cover unforeseen expenses.

The budget will be reviewed and approved the Project Sponsor and Finance Lead before being finalized.

## **5. Cost Control Process**

### **5.1. Tracking and Monitoring Costs**

Costs will be tracked using documentation and ClickUp for task management and a financial spreadsheet for detailed cost tracking. The Project Manager will work to ensure that actual costs are recorded accurately and regularly compared against the budget. The project's financial performance will be monitored through weekly reviews.

### **5.2. Managing Cost Variances**

Acceptable variance thresholds for Project: METAL SNAKE have been set at  $\pm 10\%$ . If a cost variance exceeds this threshold, the Project Manager will conduct a root cause analysis to determine the reason for this variance and implement corrective actions. Depending on the severity of the variance, potential actions may include adjusting project scope, reallocating resources, or additional funding.

### **5.3. Change Control and Budget Adjustments**

Any changes to the project scope, schedule, or resources that impact the budget will be evaluated through the Change Management Plan. Changes that require project adjustments must be approved by the Project Sponsor. The cost baseline will be updated accordingly after approval, and the change will be communicated to all relevant stakeholders.

### **5.4. Regular Cost Reporting**

Cost reports will be generated weekly and will include actual costs, cost variances, and projections for remaining costs. The Project Manager will distribute these reports to various stakeholders. Monthly cost performance reviews will be conducted to assess overall budget adherence and financial risks.

## 6. Risk Management

The following risks could impact the project cost:

Risk ID	Description	Impact	Mitigation Strategies
RSK-002	Data protection issues resulting in legal penalties and reputational damage	Medium	<b>Avoidance:</b> Implementation of firewalls and other preventative measures. <b>Mitigation:</b> Strong security practices. Implementation of SIEM for security monitoring.
RSK-003	Budget overrun	Medium	<b>Avoidance:</b> Thorough budget planning and costing of required equipment. <b>Mitigation:</b> Contingency fund.
RSK-005	System failures in hardware and software	Medium	<b>Avoidance:</b> Good software implementation practices. Thorough documentation. <b>Mitigation:</b> Contingency budget for replacing hardware and software.
RSK-006	Cost fluctuations (e.g. cloud hosting)	Medium	<b>Mitigation:</b> Maintain relationships with different vendors. Train in various cloud platforms.
RSK-008	Failure to comply with regulations	High	<b>Avoidance:</b> Compliance with regulations and regular consultations with a lawyer. <b>Mitigation:</b> Staff training in regulatory compliance.
RSK-009	Market competition	High	<b>Mitigation:</b> Maintain competitive prices and excellent customer service. Implement customer feedback systems such as surveys. <b>Exploitation:</b> Market analysis research to inform improvements on offerings, systems, and technology.
RSK-011	Exchange rate fluctuations impacting costs	Medium	<b>Acceptance:</b> The organization cannot change or affect exchange rate fluctuations. <b>Mitigation:</b> Contingency fund.
RSK-014	Cost estimation errors resulting in financial discrepancies	Medium	<b>Avoidance:</b> Use best practices for cost estimation. <b>Mitigation:</b> Thorough ongoing research into and monitoring of costs. <b>Acceptance:</b> Draw on contingency budget.
RSK-015	Process inefficiencies resulting in wasted resources or time	High	<b>Mitigation:</b> Continued research into project management and business process efficiency. <b>Acceptance:</b> Contingency budget. <b>Exploitation:</b> Document all business processes and attempts to improve process efficiencies.



RSK-018	Unexpected tax liabilities	High	<b>Avoidance:</b> Store a percentage of profits for tax. <b>Exploitation:</b> Document tax liabilities as lessons learned. <b>Mitigation:</b> Consult regularly with an accountant.
RSK-019	Infringement of intellectual property	Medium	<b>Avoidance:</b> Awareness of intellectual property law. Avoidance of using copyrighted material. <b>Mitigation:</b> Regular consultation with a lawyer. Staff training on compliance with intellectual property law.
RSK-020	Global economic conditions affecting financial viability or supply chains	High	<b>Acceptance:</b> Global economic changes are not within the organization's control. <b>Exploitation:</b> Procure equipment early to gain a competitive advantage over less well-equipped competitors. <b>Mitigation:</b> Procure equipment early to avoid disruption in supply chains.
RSK-026	Project requires unanticipated software	Medium	<b>Acceptance:</b> Tap contingency budget to buy the required technology. <b>Mitigation:</b> Thorough project planning, research, and procurement of necessary inventory.
RSK-029	Miscommunication of information leads to impact on project resources, scope, schedule, budget, or risks	Medium	<b>Mitigation:</b> A clear communications plan with policies and procedure for communicating with all stakeholders involved with the project.
RSK-030	Licensing issues with software	Medium	<b>Mitigation:</b> Research multiple software solutions for each software component of the project.
RSK-032	Disruptions in cloud service affect project progress	Medium	<b>Mitigation:</b> Maintain awareness and training in various cloud platforms to diversify options.
RSK-033	Power outages affect project progress	Medium	<b>Mitigation:</b> Invest in a UPS power supply.
RSK-034	Network disruptions (e.g. residential Internet outages) affect project progress	Medium	<b>Mitigation:</b> Obtain authorization to deal with Telstra, to facilitate troubleshooting of external network problems.
RSK-035	Scope creep introducing new features to the project increasing costs beyond the allocated budget.	Medium	<b>Mitigation:</b> The project scope will be tightly managed to prevent scope creep, with any changes requiring formal approval through the change management plan.

## 7. Approval and Sign-Off

The following stakeholders have reviewed and approved the Project Budget for [Project Name]:

**Project Manager:**

Brendan Gasparin

X \_\_\_\_\_  
(Signature)

X \_\_\_\_\_  
(Date)

**Premises Owner:**



X \_\_\_\_\_  
(Signature)

X \_\_\_\_\_  
(Date)

**Premises Owner:**



X \_\_\_\_\_  
(Signature)

X \_\_\_\_\_  
(Date)